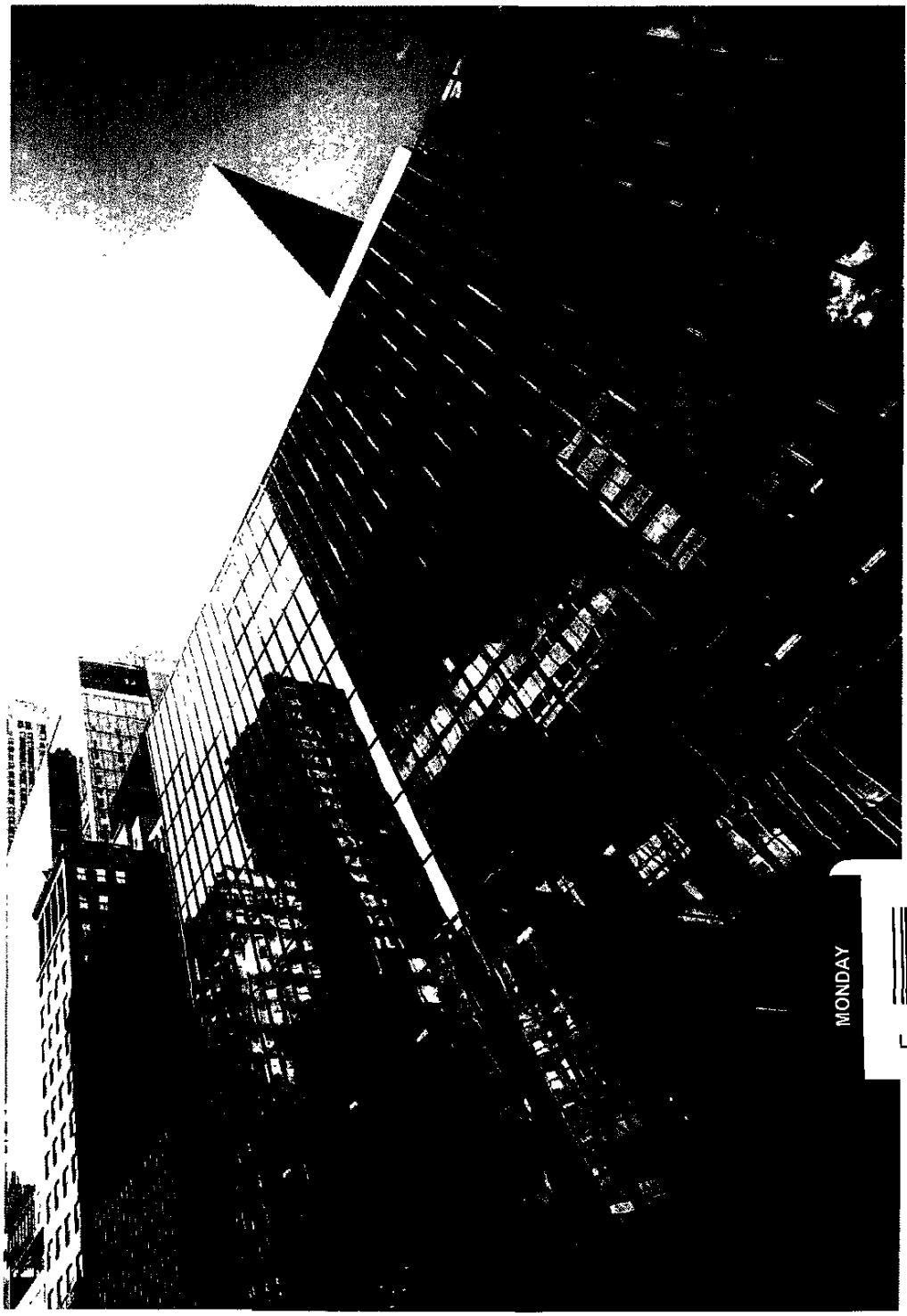
Intertrust

Annual Report 2018



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intertrustgroup.com

Intertrust

Why Intertrust

In an increasingly complex global environment, we help our clients with their administrative challenges to enable growth. And we implement solutions that help them operate their business both efficiently and responsibly. Focusing on compliance, business ethics and transparency, we take care of our clients' legal, administrative and regulatory duties in international business.

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At a glance

Intertrust is a global leader in providing expert administrative services to clients operating and investing in the international business environment. The Company has more than 2,500 employees across 41 offices and 29 jurisdictions in Europe, the Americas, Asia Pacific and the Middle East. We have leading market positions in selected key financial markets, including the Netherlands, Luxembourg, Jersey and the Americas. The Company delivers high-quality, tailored corporate, fund, capital markets and private wealth services to its clients, with a view to building long-term relationships. Intertrust is listed at Euronext Amsterdam.

Our purpose is to enable global businesses to grow sustainably

In an increasingly complex global environment, we are:

Enablers

By helping our clients with their administrative challenges, we enable them to grow their business sustainably.

Navigators

By implementing solutions for our clients, we facilitate their ability to operate their business efficiently and responsibly.

Gatekeepers

Focusing on compliance, business ethics and transparency, we support our clients in fulfilling their legal, administrative and regulatory duties in international business.

Our business services are offered across four service lines, comprising:

- **Corporates service line** consisting of incorporation, management and administration of our clients' corporate investment and finance structures.
- **Funds service line** consisting of incorporation and administration of funds, including private equity funds, real estate funds, hedge funds and venture capital.
- **Capital Markets service line** consisting of trustee and agency services in capital markets transactions plus incorporation and management of securitization and structured finance transactions for issuers and originators.
- **Private Wealth service line** consisting of fund, trust and foundation establishment plus administration for entrepreneurs, family offices and high net worth individuals.

Ever since our incorporation in 1952, we have put our clients and employees at the heart of our business. The quality and expertise of our local employees is key to our ability to provide clients with premium value-added services and to build long-term client relationships.

Facts & figures 2018

2,500+
Professionals

41
Offices

29
Countries

496.1
EUR million Revenue

185.9
EUR million Adjusted EBITA

37.5%
Adjusted EBITA margin

60%
Clients include 60% of the Top 10 of the Fortune Global 500

50%
Clients include 50% of the Top 50 of the Fortune Global 500

80%
Clients include 80% of the Top 50 of the Private Equity International 300

Intertrust worldwide

Americas

Bahamas
Brazil
British Virgin Islands
Canada
Cayman Islands
Curaçao
United States

Europe & Middle East

Belgium
Cyprus
Denmark
Finland
Germany
Guernsey
Ireland
Jersey
Luxembourg
Norway
Spain
Sweden
Switzerland
The Netherlands
Turkey
United Arab Emirates
United Kingdom

Asia Pacific

Australia
China
Hong Kong
Japan
Singapore

Message from the CEO

2018 was an important year for Intertrust, in which we have aligned the Company for future success. I started as the Company's CEO in January 2018, and have continuously been impressed by its people, its excellent client base and its potential to further grow the business. While continuing to serve our clients and successfully delivering on our guidance throughout the year, we have revisited our corporate strategy, launched the Company's new purpose and values, and established a strong leadership team to take the Company forward

Solid financial performance

Our financial performance in 2018 remained robust and our cash flow generation was very strong as a result of enhanced working capital management We are pleased to have consistently delivered on our full year 2018 expectations and are confident to deliver on our medium term guidance. Our full-year underlying revenue increased by 3.5% to EUR 496.1 million with our underlying EBITA having grown with 1.8% to EUR 185.9 million The adjusted EBITA margin amounted to 37.5%. On 31 May 2018, we completed a share repurchase programme for a total consideration of EUR 50 million. We will propose a final dividend of EUR 0.32 per ordinary share at our Annual General Meeting of Shareholders on 16 May 2019, resulting in a total dividend for 2018 of EUR 0.62.

Becoming tech-enabled

At our Capital Markets Day in September 2018 we outlined our strategic ambitions for 2021. Our top priorities are to capture opportunities to expand and diversify our service offering, develop our technology foundation to serve changing client needs, and develop and maintain a dynamic and engaged global talent pool. We pursued organic opportunities to deliver top line growth and have applied for an administration license in Ireland to further support fund clients, Capital Markets license in the US to offer domestic trustee services, and have received our Trust and Corporate Services Provider license in Hong Kong. We have put disciplined M&A back on the agenda, with a clear strategy by service line. In 2018, we announced the acquisition of Seed Outsourcing, a boutique Australian corporate and fund services firm. Our focus going forward will be on increasing scale in the US and Asia and add complementary services in Private Equity and Real Estate Administration, as well as compliance services New in our M&A strategy is the addition of technology enablers, for which we are looking for opportunities to implement efficiency-enabling technology.

Our strategic ambitions will drive our transformation to become a leading provider of tech-enabled corporate and fund solutions.

Enabling global businesses

Our strategy describes what we are doing to reach our purpose. We launched our purpose in 2018, which is to enable global businesses to grow sustainably. Our purpose helps us to shape our strategies, culture and ability to transform in the years to come. It also allows us to explain what we do each and every day to create value for our stakeholders. At Intertrust, we help clients with their administrative challenges to grow in an increasingly complex global environment, and implement solutions to operate their business efficiently and responsibly. Focusing on compliance, business ethics and transparency, we take care of our clients' legal, administrative and regulatory duties in international business. We're enablers. We're navigators. And we're gatekeepers.

Our sense of purpose is also reflected in the company values we have launched. responsive, excellent, innovative and connected. These values reflect the behaviours we need to achieve our business goals and our values will help us to achieve higher staff engagement. We will continue to embed the values throughout 2019 and empower all employees to bring them to life.

Strong leadership

Over the course of 2018, we have strengthened our senior leadership in order to simultaneously deliver excellent client service and to be a great employer. We have extended our Executive Committee through the appointment of Theo Splinter as Chief Operating Officer, James Nolan as Head of Strategy and M&A, and James Ferguson as Head of Americas to lead in taking advantage of opportunities in this priority region. We have appointed Roberto Canenti as our new Chief Human Resources officer in June 2018 and appointed Hans Turkesteen as CFO and member of the Management Board one month later, following his role as interim CFO since November 2017. While we are in the process of looking for a successor of Henk Pieter van Asselt, our Chief Commercial Officer who announced in January 2019 to step down in the course of 2019, the strong and committed management team will continue to deliver on our strategic ambitions.

2019 onwards

Our operating environment continues to be more advanced and more sophisticated. With a very clear strategy in place, Intertrust is changing more than ever before, to become stronger and more successful than ever before.

We made good progress in 2018 and created a strong fundament to facilitate future success. There are a few key initiatives I would like to highlight, starting with our Client Portal which we have launched in January 2019. This is a testament of our ability to deliver on our promises, and on our strategy. Our Client Portal will play a key role in our client service delivery as well as achieving operational efficiencies. In addition, we have introduced new Key Performance Indicators to allow for more appropriate and transparent reporting to track our business. And finally, we have simplified our organisational structure and continue to operate through three market areas, which is reflected in the composition of the Company's Executive Committee.

As always, work remains to be done. We continue to invest to become the leading tech-enabled corporate and fund solutions provider. We continue to execute our strategy as presented at our Capital Markets Day. And we continue to drive long-term profitability, having embedded purpose in our business model and corporate strategy. All this cannot be done without the dedication of our employees, trust of our clients and the commitment of our shareholders. Thank you for your ongoing support.

Stephanie D. Miller
Chief Executive Officer

Industry and business

Intertrust operates in a global market which remains highly fragmented, and is the leading global provider of expert administrative services. In this highly competitive industry, size matters. We offer a broad range of services to corporate, fund, capital market and private wealth clients and by covering multiple jurisdictions we are able to generate significant economies of scale.

Industry

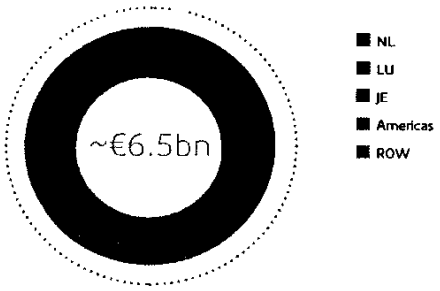
The expert administrative services market

The global expert administrative services industry is a key component of the global asset management network. The industry provides a wide range of value-added administrative services to clients, assisting them in setting up, managing, monitoring and unwinding their corporate, investment, finance and fund entities within regulated markets. Expert administrative service providers also assist clients in their compliance with relevant local and international regulations but typically do not provide legal or tax advisory services. Instead they implement legal and tax advice given by external lawyers, tax advisers and accountants. These external advisers often act as business partners, referring clients to expert administrative service providers.

"We are one of the few global service providers, with geographic coverage in 29 jurisdictions across all continents in the expert administrative services market."

The 13 key expert administrative services jurisdictions we primarily focus on include the US, Luxembourg, the Netherlands, Jersey, Cayman Islands, Guernsey, Switzerland, Hong Kong, the United Kingdom, Ireland, Singapore, Curacao and Spain. Based on total revenue figures, these jurisdictions together accounted for approximately EUR 6.5 billion or 77% of revenue of the global expert administrative services market in 2017 and together comprise our addressable market. That market is expected to grow at a CAGR of approximately 3% to 5% from 2018 to 2021.[1]

Market size within Intertrust's focus jurisdictions (€bn, 2017)



Source. external market study of August 2018

Important factors which determine a jurisdiction's attractiveness for the expert administrative services industry are international reputation, legal environment, bilateral asset protection treaties, infrastructure and local expertise. In particular, the sophistication, predictability and stability of a jurisdiction's legislative, regulatory and judiciary landscape are important. The global expert administrative services market is comprised of approximately 80 jurisdictions.

[1] Source external market study of August 2018.

Each jurisdiction typically attracts a specific set of clients depending on the above factors. Due to our focus on *Corporates and Funds clients, we consider the Netherlands*, Luxembourg, Jersey and the Americas (consisting primarily of the US, Curacao and the Cayman Islands) our four main reporting segments[2]. Together, they account for approximately EUR 4.4 billion or about 50% of revenue of the global expert administrative services market in 2017 and comprise the jurisdictions where most of our revenue-generating clients are located.

The expert administrative services market remains highly fragmented with many providers worldwide, most of whom operate on a local basis with a limited service offering. We are one of the few global service providers, with geographic coverage in 29 jurisdictions across all continents in the expert administrative services market. Other global players include TMF Group, Vistra, SGG and Citco, based on presence in multiple jurisdictions. We aim to differentiate ourselves from our competitors through our global presence, our economies of scale and our wider service offering of high value services such as process agency, ManCo services, regulatory and compliance services. We anticipate our clients' movements and assist clients with changes in regulations, while supporting their operations as they expand their businesses. Other expert administrative service providers include, on the one hand, multi-regional and regional providers, who offer a broad range of services but focus on specific jurisdictions in one or more regions, and, on the other hand, medium-sized and local providers, who have a narrower service offering and a smaller geographical coverage. Some major banks, fund administrators, legal and accounting firms also compete in specific service lines

Clients

The client base in the expert administrative services industry can be divided into four client types.

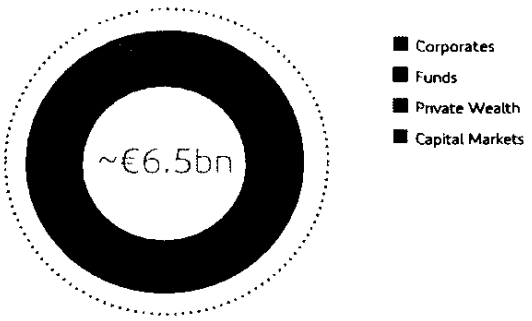
Corporate clients including multinational corporations and small and medium enterprises, which accounted for approximately EUR 2.2 billion or 35% of the EUR 6.5 billion revenue of the expert administrative services market in the 13 key jurisdictions we focus on.

Funds clients including alternative investment funds (private equity, hedge funds and real estate funds among others) and retail funds, which accounted for approximately EUR 1.8 billion or 28% of the EUR 6.5 billion revenue of the expert administrative services market in the 13 key jurisdictions we focus on.

Capital Markets clients including securitisation and structured finance clients and alternative finance providers, which *accounted for approximately EUR 1.1 billion or 17% of the* EUR 6.5 billion revenue of the expert administrative services market in the 13 key jurisdictions we focus on.

Private Wealth clients including family offices, high net worth individuals ("HNWI"), ultra high net worth individuals ("UHNWI") and entrepreneurs, which accounted for approximately EUR 1.3 billion or 20% of the EUR 6.5 billion revenue of the expert administrative services market in the 13 key jurisdictions we focus on

Market size within Intertrust's focus segments
(€bn, *2017*)



Source external market study of August 2018

Services

All client types generally require services with respect to the formation and implementation of entities, the domiciliation and management of entities, legal administration (including company secretarial) and accounting and reporting. In addition to general services, there are specific services relevant to particular client categories. These include, for example, depositary or ManCo services for Funds clients and portfolio administration services or process agency for Capital Markets clients.

The core, specialised and other services which comprise the expert administrative services industry are summarised on the next page.

[2] As of 1 January 2019 Intertrust will report on three segments Western Europe, Americas and Rest of the World.

Scope of expert administrative services solutions

Customer service lines		Core expert administrative	Specialized services	Other services
Corporates		• Formation & implementation • Domiciliation • Management & trustee services • SPV entity accounting & reporting • Liquidation services • Legal administration	• Compliance services • Escrow • Process agent • Intellectual property • Treasury management	• Performance & Rewards Management: Administration services for corporate share plans; pension plans; and deferred compensation plans
Funds	Private Equity Real Estate Infrastructure e.a.	SPV • Formation & implementation • Domiciliation • Management & Trustee services • SPV entity accounting & reporting • Liquidation services • Legal administration	Admin • SPV services • Investor reporting • Fund administration / legal admin • Depository services	• ManCo: Governance support for funds in order to decrease regulatory burden and cost inefficiency
Capital markets	Securitizations Structured Finance Alternative Finance Transactions	• Formation & implementation • Domiciliation & Management • Accounting & reporting • SPV Administration	• Process agent • Portfolio administration services • Agency services • Investor reporting	
Private Wealth		• Formation & implementation • Domiciliation • Legal administration • SPV entity accounting & reporting • Liquidation services	• Treasury and investment services • Intellectual property	

Expert administrative services facilitate cross-border investments and acquisitions with a mix of business, legal and tax considerations. Business and legal considerations include: risk management and asset protection; well-established location for establishment of investment funds; neutrality for international joint ventures (i.e. a neutral jurisdiction providing a level playing field for the joint venture partners), legal certainty, political, financial and regulatory stability, access to capital markets, availability of experienced workforce, network of professional advisors (bankers, lawyers, auditors and consultants), travel connections; range and characteristics of available legal entity forms; and cost of incorporation, maintenance and liquidation. Tax considerations can include: attractiveness of local tax legislation (for example, local tax rates and participation exemption); and mitigation of double taxation (for example, double taxation treaty network).

Expert administrative service providers cover the entire life cycle of a client entity from incorporation through to ongoing maintenance and compliance and the eventual liquidation. The average life of a client entity is estimated at approximately five to ten years which typically results in predictable and recurring revenue for expert administrative service providers. Switching service providers during the life of a client entity can be cumbersome, and costly. It may also risk financial penalties and reputational damage if the new provider is unable to meet regulatory requirements to the necessary standard which results in client retention and high revenue visibility. On average, maintenance activities such as domiciliation, management and trustee services, legal and tax compliance services or accounting and reporting services, account for approximately 80% of the revenue of expert administrative service providers whilst the remaining approximately 20% is split between event-driven services such as incorporation and liquidation activities.

Clients in the expert administrative services industry tend to attribute high value to quality of service, reputation, personal relationships, expertise, reliability and responsiveness of service providers. Due to the specialised nature of the services provided, expert administrative services typically require specialist local expertise. The negative ramifications of errors, such as non-compliance with local rules and regulations, can be significant. In addition, pricing of expert administrative services is generally considered low compared to the potential savings or efficiencies to be achieved. As such, clients and business partners tend to be focused on securing high quality services and specific expertise from reputable and global firms.

New business is either sourced through direct sales efforts or through existing relationships with clients or business partners, such as lawyers, tax advisers and accountants.

Growth drivers

Globalisation, regulation, outsourcing and M&A activity

The expansion of the expert administrative services industry has been driven by the increased internationalisation of corporate and investment activities. As global assets under management continue to grow, our clients require expert administrative services in order to deploy and monitor capital in a way which is compliant, transparent and ethical, and which fulfils specific legal, administrative and regulatory duties. As corporations invest across numerous jurisdictions, they typically require expert administrative services to implement tax efficient entities and assist them in their compliance with local and international standards.

> "Our clients require expert administrative services in order to deploy and monitor capital in a way which is compliant, transparent and ethical, and which fulfils specific legal, administrative and regulatory duties."

The increase in globalisation, expressed in terms of global trade, has been uninterrupted over the period from 2005 to 2017 at a CAGR of 4%. GDP during the same period has grown at a 4% CAGR. Going forward, global trade is expected to continue to grow at a CAGR of approximately 4% between 2018 and 2023, approximately in line with the expected global GDP growth of the same period[3].

Assets under management continue to grow rapidly and are expected to reach USD 145 trillion by 2025. Key drivers for this growth are the burgeoning wealth of High Net Worth Individuals ("HNWI") and an increasing affluent global population, as well as a shift to defined contribution retirement saving. Alternative asset classes, in particular, real estate, private equity, hedge funds, infrastructure funds and commodities, are expected to grow faster than other asset classes at a CAGR of 8.7% between 2016 and 2025[4].

Regulation, Substance Requirements, Complexity of Client Entities, Demand For Additional Services and Outsourcing

Increasing regulatory complexity is a key driver of growth in the expert administrative services industry. The implementation of new regulation has increased substance and reporting requirements. Furthermore, strengthened measures to prevent tax evasion, fraud and terrorist financing have historically resulted in more complexity and increased demand for additional transparency, which generally results in a greater administrative burden and higher costs of compliance. These trends have historically offset initiatives aimed at regulatory and legal simplification or international harmonisation.

Increased compliance requirements for clients drive the demand for transparency and substance services which in turn drive the expert administrative services billable hours per client entity. The increasing complexity, administrative burden and attention to compliance for expert administrative service providers means that smaller expert administrative service providers may not have the appropriate infrastructure, scale or required expertise to continue to compete effectively, leading to further client migration to high-quality global players against the backdrop of increasing regulation, increasingly global business and high costs of failure.

Regulatory developments and changes in the tax environment (such as the Action Plan on Base Erosion and Profit Shifting ("BEPS"), the Anti-Tax Avoidance Directive ("ATAD") and the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting) may result in greater services per entity to maintain compliance, while reducing entity growth in certain jurisdictions. The implementation of BEPS and ATAD is expected to bring

[3] Source: external market study published, 2017
[4] Source: external market study published, 2017.

opportunities to the expert administrative services market as well as adverse impacts.

- Increased substance requirements in certain countries may increase the number of entities, billable hours and price per hour, whilst the number of structures may decrease as pressure on structures set up in low-tax jurisdictions heightens.
- Certain structures that are currently serviced by the expert administration services industry may no longer be viable and disappear.
- Individual jurisdiction attractiveness may change as a result of implementation by individual countries, negatively impacting some jurisdictions and positively impacting other jurisdictions

Impact on market dynamics

As a result of increased regulatory complexity and investments required in technology to support the continuously changing regulatory landscape, outsourcing has increased as clients no longer have (or wish to invest in) expertise or resources to perform the required services in-house. The growth of outsourcing also reflects an increasing focus of organisations on their core capabilities. External expert administrative service providers have the professional know-how to ensure certainty of compliance; the potential to offer significant cost savings to clients; and improved service because of their specialised capabilities and greater scale This is particularly the case for activities where in-house provision would result in sub-scale operations or where limited internal institutional knowledge exists, as is often the case for support functions in new geographic markets

Key industry trends

The expert administrative services market has historically been growing at a faster pace than macro-economic growth (indicated by global GDP growth) Whilst this is a continuation of historic performance, the composition of this growth is shifting, with the funds sector becoming a more important growth driver.

"Funds are seeing the strongest growth across all client categories."

Funds are seeing the strongest growth across all expert administrative service categories, driven by the continued underlying volume growth on the back of increasing flow of capital into private equity and real estate funds asset classes. Another strong contributor to growth in the funds sector is the trend to outsource fund administration activities, resulting in additional services offerings.

Opportunities for new services in the Corporates service line have grown, given tightening regulatory requirements. Despite the outflow of certain structure types (particularly aggressive tax structuring) due to stricter regulation and focus of governments on curtailing tax evasion and creating level playing fields, real substance structures will remain and will likely see increasing billable hours of services.

The Private Wealth service line is also undergoing a shift in structure due to increasing regulatory requirements and recent negative publicity. On the lower end of this service line, simple structures are under pressure although there are continued opportunities for corporate-like structures and family offices.

In addition to the drivers above, the following trends affect the competitive landscape in the industry

- **Consolidation.** expert administrative services is a fragmented industry in which smaller players may find it difficult to operate in light of the growing regulatory complexity, increase scale in existing jurisdictions and acquire complementary substance services or expand their geographic footprint. Smaller players are often bound to certain jurisdictions and are less familiar with global legislation. They also face the risk of client attrition when clients seek to relocate to other jurisdictions where the smaller player does not have a presence, restricting their attractiveness to large clients. Larger providers on the other hand are able to adapt to changes in law quickly and have the scale to invest in capacity and capabilities (for example, global knowledge development and information technology resources). Large players have been able to expand through acquisitions that help them to broaden their service portfolio and geographic reach, and capture market share.
- **Client preferences:** as a result of globalisation, there is a preference from clients to work with a single expert administrative services provider with a full service proposition and a global reach.

Business

General

Intertrust is a leading global provider of expert administrative services to clients operating and investing internationally. We operate from a global network of 41 offices in 29 jurisdictions from which we administer approximately 48,400 entities for our clients, enabling them to grow successfully, operate their businesses efficiently and responsibly and fulfil their international legal, administrative and regulatory duties. In addition to our offices, we had a network of approximately 40,000 business partner contacts (including in jurisdictions in which we were present), who referred work to us, and a network of third-party service providers ("TPSPs") in 144 other jurisdictions allowing us to assist our clients by referring them to our partners in jurisdictions where we do not have an operational presence. Our leading global position provides an advantage over smaller providers who may provide a narrower service offering or who operate in fewer jurisdictions.

> "Our leading global position provides an advantage over smaller providers who may provide a narrower service offering or who operate in fewer jurisdictions."

Our business is organised and managed on a geographic basis and operates through the following five main jurisdictional segments: the Netherlands, Luxembourg, the Americas, Jersey and the Rest of the World. We are the leading expert administrative services provider in the Netherlands and Jersey and the number two provider in Luxembourg and the Cayman Islands. We have leading market positions in most of our key jurisdictions in our Rest of the World segment based on revenue.

Business model

We provide mission critical, non-discretionary services, which help to ensure that clients are compliant with relevant regulations and are therefore considered critical from a legal, regulatory, financial, reputational and risk management perspective. For our clients, the costs associated with providing our range of administrative services are often considered to be non-discretionary, since our clients generally require these services irrespective of their financial or operational performance, given that the costs of failure can be high – both in terms of the severity of penalties (including fines or criminal prosecution) and the potential reputational damage suffered as a result of non-compliance.

We estimate that approximately 80% of our total revenue is generated by ongoing compliance and maintenance services of client entities which for the most part can be considered as recurring. The remaining 20% relates to non-recurring revenue such as revenue generated by incorporations and liquidations.

> "We estimate that approximately 80% of our total revenue can be considered as recurring."

Our business model benefits from added resilience due to the high cost of switching administrative service providers, both financially and through the risk that critical services might not be provided to the same quality. In addition, the non-discretionary nature of our offering means that macro-economic fluctuations have historically had limited impact on our industry as expert administrative services required are not dependent on financial or operational performance. Our wide range of expert administrative services provides a complete solution for both event-driven demands and for the ongoing requirements of doing business.

Services

We offer a comprehensive and integrated set of expert administrative services across Europe, the Americas, Asia Pacific and the Middle East. Our service offering comprises four service lines: Corporates; Funds, Capital Markets; and Private Wealth. In each of our four service lines we offer our core services formation and implementation services; domiciliation, management and trustee services, legal and tax compliance services, regulatory and compliance services, accounting and reporting services, and liquidation services. In addition to our core services, we also offer more specialised services, focused on the demands of our clients in each service line. Core services represented approximately 75% of our revenue and our specialised services represented approximately 25% of our revenue.

Services

	Corporates	Funds	Capital Markets	Private Wealth
Core Services (75%)	Formation and implementation	Domiciliation, management and trustee services	Legal and tax compliance	Accounting and reporting	Liquidation services
	Event driven	Ongoing maintenance services		Event driven
Specialised Services (25%)	• Corporate Secretarial services • Escrow • Performance & Reward management • Process Agent • Regulatory & Compliance services • Treasury Management services	• Depositary services • ManCo services • Outsourced Fiduciary services • Outsourced IT platform • PE/RE Fund Administration • Regulatory & Compliance services	• **Agency services** • **Corporate Administration** • **Investor Reporting** • **Portfolio Administration services** • **Process agent** • **Regulatory & Compliance services**	• Business Succession • Family Governance • Philanthropy & Charitable Trusts • Real Estate • Regulatory & Compliance services • Treasury & Investments services

Core services

Formation and implementation services
We offer our clients an efficient way to set up new client entities by incorporation of new ones or provision of existing shelf ones. We also assist our clients with the implementation of structures and arrangements for their corporate, investment and finance transactions. In addition, we arrange for local registrations for each of these client entities.

Domiciliation, management and trustee services
We provide a registered office address or office space to our clients for the execution and operation of their business in various jurisdictions. We offer our clients the possibility to appoint us or our employees as director, proxy-holder, authorised representative or company secretary for client entities. We conduct the day-to-day management of these client entities in compliance with applicable laws and regulations. In addition, we support our clients' operational, regulatory and governance requirements and assist them with trustee requirements.

Legal and tax compliance services
We provide our clients and our client entities with compliance services in connection with their legal and tax requirements. We manage our clients' legal and tax requirements, maintain the necessary statutory records and prepare legal documentation and tax filings based on advice of external experts and input from our clients. Except for certain limited local tax advisory services that we provide to certain Private Wealth clients in Guernsey, we do not provide tax or legal advisory services as part of our general service offering. This is in order to avoid conflicts of interest between our services and to avoid competing with the law firms and audit firms that we rely on for the referral of new business opportunities

Regulatory and compliance services
We identify regulatory reporting obligations and review, draft and submit all the relevant reports for several reporting regimes such as the US Foreign Account Tax Compliance Act and similar reporting regimes between the British Crown Dependencies and Overseas Territories and the United Kingdom as well as reporting under the global Common Reporting Standard. We also offer compliance consulting and compliance outsourcing services. Compliance consulting services include: assisting clients with regulatory authorisations, licences, permits or concessions, and audits, assessing compliance infrastructure, drafting and maintaining compliance policies and procedures, and providing training. Our compliance outsourcing services include: client due diligence, document management, risk identification, verification and screening.

Accounting and reporting services
We provide our clients with accounting, bookkeeping, financial reporting and consolidation services, as well as assistance with financial audits, internal controls and VAT registration and administration. We offer payroll services and real estate investment services, engage in bank account management and

pension fund administration, and provide services with respect to employee benefit trusts and the administration of trusts and foundations. We also assist our clients with their IFRS reporting requirements and with conversions between GAAP and IFRS.

Liquidation services
We assist our clients with unwinding and dissolving client entities. We also support them through the liquidation process of any of their entities.

Specialised Services

Corporates
With our Corporates service line, we assist clients with the setting up, structure, management and unwinding of legal entities for their corporate, investment and finance transactions. Our Corporates service line clients are multinational corporations and financial institutions with a large spread across industries and regions.

The specialised services we offer to our Corporates clients comprise:

- **Corporate secretarial services ("CoSec")** consisting of, among other things, maintenance of statutory records, organisation of shareholders and board meetings and preparation of legal documentation, specifically for corporate entities.
- **Escrow services** consisting of management of escrow agreements to secure a client's financial obligations arising from, among other things, cross-border acquisitions, international projects, litigation procedures and transnational trading transactions.
- **Performance and reward management ("PRM")** consisting of provision of trustee and performance and reward plan administration services, assistance to clients in delivering and managing their reward and incentive arrangements across both senior management and the wider employee base.
- **Process agent services** consisting of acting as agent for the service of process for our clients.
- **Treasury management services** consisting of front-office services (including cash management, cash pooling, interest rate management and liquidity forecast and requirements assessment), middle-office services (including risk management and performance reporting) and back-office services (including processing confirmations, payments, cash reconciliations, administration of cash pools and execution of loan agreements).

In our Corporates service line, we seek to grow and diversify our service offering primarily within specialised services in existing jurisdictions. Identified growth areas include: the development and rollout of Integrated Office Solutions and CoSec solutions; the rollout of our PRM services in other key jurisdictions of our Rest of the World segment; growing our recruitment and payroll services, and expanding our global footprint to new jurisdictions.

Funds
With our Funds service line we provide services covering the incorporation, administration, investor reporting and regulatory reporting for funds, including various forms of hedge funds, focused strongly on real estate funds and private equity funds (with a high penetration of Private Equity International 300 and other reputable fund managers). Our 2016 acquisition of Elian provided us with a large team of fund professionals to offer full fund administration for private equity, venture capital, debt and real estate funds globally. We have an integrated platform globally to provide the full suite of fund related services in key jurisdictions where we add value to our clients.

The specialised services we offer to our Funds clients comprise:

- **Depositary services** consisting of acting as a depositary for non-financial assets. Our depositary services include cash flow monitoring, asset verification and asset safekeeping and oversight services.
- **ManCo services** consisting of a range of services in relation to management companies, provision of risk and regulatory compliance solutions to EU and non-EU Alternative Investment Funds ("AIFs"), including hedge funds, private equity funds and real estate funds which provide significant cost, quality and governance benefits. We have a licence from the Central Bank of Ireland and the CSSF to act as Alternative Investment Fund Manager to EU and non-EU funds that qualify as AIFs.
- **Outsourced fiduciary services** consisting of support to our Funds clients' operational, regulatory and governance requirements and assistance with director and trustee requirements. We provide our Funds clients with fund directorships, registered offices and authorised representatives for their funds and trustee services for unit trust structures.
- **Private equity and real estate fund administration services** consisting of full private equity and real estate fund asset administration, including net asset value calculations, investor reporting, fund accounting, audit assistance, fund banking and payment services as well as performance fee calculations for investors in funds and asset and property management and reporting. We use market-leading technology such as FIS Investran, to provide fund administration and investor reporting, and Yardi, to provide property level management and reporting as we believe this allows our people to deliver more value to our clients.

In our Funds service line, we see opportunities in existing and new geographies including Luxembourg, Ireland, Spain, Jersey and the Americas. Key growth areas include the expansion of private equity and real estate fund administration; broadening our ManCo services and fund services administration in Luxembourg and Ireland respectively; introducing outsourced fiduciary services such as assisting the MLRO and MLCO of our clients with investor onboarding procedures; expanding our compliance services, especially AIFM, AML and CDD compliance; and leveraging our specialised sales force in the UK and the US.

Capital Markets

Our Capital Markets service line provides a wide variety of ancillary services for capital markets transactions. Clients of this service line are mostly financial institutions. The capital markets transactions include securitisations (such as residential mortgage backed securities, commercial mortgage-backed securities, collateralised loan obligations and other asset-backed securities transactions), bond issuances, secured loans/ warehouse facilities, asset repackaging, commercial paper conduits and asset lease transactions. We are the number two provider of trustee services for EU securitisation issuances since 2012.

The specialised services we offer to our Capital Markets clients comprise:

- **Agency services** consisting of calculation and payment agency services such as the preparation and monitoring of cash flow waterfalls; principal and interest ledger calculations; monitoring of credit default swap calculations, monitoring of trigger events; and the calculation and execution of payments to third parties. We also provide our clients with registrar and transfer agency services and trustee services for unit trust structures, and act as security agent and notes trustee.
- **Corporate administration services** consisting of, among other things, maintenance of statutory records, organisation of shareholders and board meetings and preparation of legal documentation, specifically in relation to capital markets transactions.
- **Investor reporting services** consisting of reporting services to investors in the SPVs of our clients with regards to, among other things, portfolio analysis, cash flow generation, prepayments, waterfalls and arrears.
- **Listing services** consisting of support and facilitation of the listing of debt or equity securities on a securities exchange in cooperation with external listing agents.
- **Portfolio administration services** consisting of administrative services with respect to the underlying assets held by the clients. These services include, among others, asset cover testing, which entails the evaluation of the underlying assets against a set of predetermined criteria.
- **Process agent services** consisting of acting as agent for the service of process for our clients.

In our Capital Markets service line, we see the opportunity to offer domestic services in the US and the Asia Pacific region; grow our debt capital market services in the US and in Europe, and leverage our specialised sales force in the UK and the US

Private Wealth

Under our Private Wealth service line, we provide company and trust formation services to our diversified Private Wealth clients, such as Forbes 500 entrepreneurs, international entrepreneurial families and family offices. Our acquisition of Elian in 2016 broadened our spectrum of private wealth solutions, especially in the Channel Islands. The integrated organisation enables us to service our global base of (ultra) high net worth individuals and families with a full suite of private wealth solutions in relevant jurisdictions. Our private wealth directors are qualified lawyers, accountants or trust professionals and every member of our business is experienced in private practice.

The specialised services we offer to our Private Wealth clients comprise:

- **Business succession services** consisting of assistance to clients with handing down a business to the next generation or selling an owner-managed business and putting in place the right framework for succession.
- **Family governance services** consisting of support to our clients to plan for the future and administration of assets and structures through our trusted network of contacts.
- **Philanthropy and charitable trusts services** consisting of the creation of a focused strategy to support our clients' philanthropic and charitable goals by setting up and administering charitable and non-charitable purpose trusts, foundations, companies limited by guarantee and trust structures.
- **Real estate services** consisting of the performance of specialised accounting services to operational real estate companies and structures and the maintenance of relationships with property managers and third parties.
- **Treasury and investment services** consisting of the structuring, management and administration of trusts, foundations and other vehicles that assist our private clients with respect to asset management and asset preservation. We also assist in the administration of personal pensions, wills and testamentary estates, and offer family office services. In addition, we assist our private clients with their accounting, financial reporting and consolidation obligations.

In our Private Wealth service line, we see the opportunity to grow our ability to support family offices with CoSec and accounting services; facilitate the globalisation of multi-generational family wealth and increase cross-selling towards our Corporates service line.

Our services are supported by our continuously developing technology foundation and include core services offered in nearly all offices and more specialised services provided from selected locations. We are an experienced and expert player, servicing our clients since 1952 in an increasingly complex global environment and a market which is becoming increasingly focused on quality. Our clients have come to trust our reputable and global brand to deliver mission-critical services.

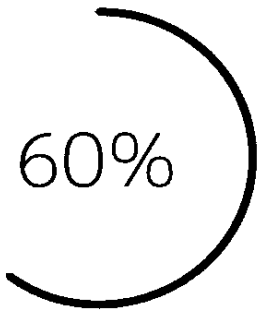
Our clients operate in an increasingly complex global environment focused on compliance, business ethics and transparency and we have a strong track record of successful cooperation with regulators in key jurisdictions. Regulation is an important and resilient driver of our market growth in addition to increased complexity and specialisation of the services that our clients require. Historically, we have seen the consistent introduction of regulation and the pace and magnitude of change is increasing. As such, our client entities often require additional services in order to ensure compliance with new regulations, resulting in higher ARPE across our service lines.

Clients

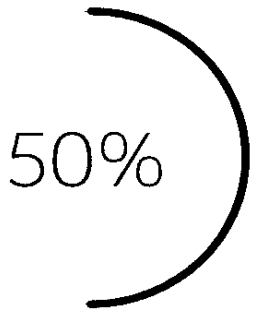
We have a high quality client base representing a broad array of industries and are focused on multinational corporations, financial institutions, fund managers, ultra high net worth individuals and family offices. Our clients are based in approximately 140 jurisdictions and included approximately 60% of the Top 10 and 50% of the Top 50 of the Fortune Global 500 companies, as well as approximately 80% of the Top 50 of the Private Equity International 300. We believe that our clients value the quality of our comprehensive expert administrative services offering, our global network, our commitment to client relationships and our expertise, reliability and responsiveness.

We have a large and diversified mix of more than 16,000 clients for whom we have administered approximately 48,400 entities. We have a diversified client portfolio with our ten largest clients accounting for approximately 8% of our revenue for the year and none of our clients representing more than 2.2%.

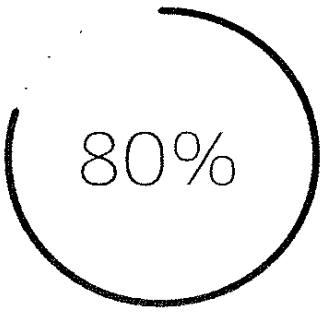
Intertrust's clients include



Top 10 of Fortune 500



Top 50 Fortune 500



Top 50 of Private Equity International 300

Our purpose

Enabling global businesses to grow sustainably

We believe that without a sense of purpose, we won't be able to achieve our full potential. Therefore, in 2018, we launched a clear purpose which is: to enable global businesses to grow sustainably. Our purpose helps us to shape our strategies, culture and ability to transform. At Intertrust, we help clients with their administrative challenges to grow in an increasingly complex global environment, and implement solutions to operate their business efficiently and responsibly. Focusing on compliance, business ethics and transparency, we support our clients in fulfilling their legal, administrative and regulatory duties in international business. We are enablers. We are navigators. And we are gatekeepers.

In addition, we have refreshed our corporate values which will be rolled out in 2019. Our values describe how we behave when working with clients and colleagues to enable businesses to grow sustainably.

Our corporate values are:

- **Responsive**
  We're ambitious and proactive in our thinking. We anticipate change so we can stay ahead. In everything we do, we always go the extra mile.
- **Excellent**
  We're driven to succeed. We support each other and our clients to achieve their goals. Each of us takes pride in delivering first-class results.
- **Innovative**
  We welcome new ways of working. We embrace change and challenge ourselves to do better. Thinking of the bigger picture, we spot new opportunities.
- **Connected**
  We're collaborative. We share knowledge and expertise to achieve the best results. Our aim is to build trust and relationships for the long-term.

While our purpose and values describe the important work we are doing and why we're doing it, our strategic ambitions explain how we will lead the company in the coming years. These ambitions will drive our transformation from an expert administrative service provider to a provider of tech-enabled corporates and funds solutions.

> "Our purpose helps us to shape our strategies, culture and ability to transform."

We seek to consistently and clearly communicate our strategy to ensure all stakeholders understand how we deliver value.

Our strategy

A new approach

In 2018, Intertrust launched a new corporate strategy during its Capital Markets Day with a focus on delivering sustainable value to our stakeholders. Our strategy is aimed at becoming a tech-enabled corporate and fund solutions provider, and will focus on clients & services, innovation & technology and people. We will deploy operational excellence improvements through standardisation, centralisation and the use of shared services.

Clients & services

Capture opportunities to expand and diversify our service offering both organically and through M&A activity

We seek opportunities to expand and diversify our service offering across all service lines in existing and new jurisdictions. With a more complete service offering, we are able to target increased levels of cross-selling revenue from other service lines and increased revenue from clients and entities requiring more complex service requirements and substance.

In the first half of 2018, we added substantially more specialised sales capabilities to our teams in the UK and the US to capture opportunities in funds and capital markets. We also created a global client solutions team to further accelerate our services and product development as we aim to adapt to the changing needs of our clients.

In October 2018, we announced the opening of a new office in the Abu Dhabi Global Market (ADGM). The new office in Abu Dhabi's financial centre has expanded Intertrust's existing presence in the United Arab Emirates (UAE) and consolidates our position as one of the leading corporate services providers in the region.

Corporate services

In our Corporates service line, we seek to grow and diversify our service offering primarily within specialised services in existing jurisdictions. Identified growth areas include: the development and rollout of integrated office solutions (IOS) and global corporate secretarial (CoSec) solutions, the rollout of our performance and reward management (PRM) services in other key jurisdictions of our Rest of the World segment; growing our recruitment and payroll services, and expanding our global footprint to new jurisdictions

Fund services

In our Funds service line, we see opportunities in existing and new geographies including Luxembourg, Ireland, Spain, Jersey and the Americas. Key growth areas include: expansion of private equity and real estate fund administration; broadening our management company (ManCo) services and fund services administration in Luxembourg and Ireland respectively, introducing outsourced fiduciary services such as assisting the money laundering reporting officer (MLRO) and the money laundering compliance officer (MLCO) of our clients with investor onboarding procedures, expanding our compliance services, especially alternative investment fund managers (AIFM), anti money laundering (AML) and customer due diligence (CDD) compliance, and leveraging our specialised sales force in the UK and the US. In line with our strategy to expand our fund administration offering, we have applied for a fund administration license in Ireland to further strengthen and expand our proposition.

Capital market services

In our Capital Markets service line, we see the opportunity to: offer domestic services in the US and the Asia Pacific region, grow our debt capital market services in the US and in Europe, and leverage our specialised sales force in the UK and the US

We have applied for a Capital Markets license in the US to offer domestic trustee services.

Private wealth services

In our Private Wealth service line, we see the opportunity to: grow our ability to support family offices with CoSec and accounting services, facilitate the globalisation of multi-generational family wealth and increase cross-selling towards our Corporates service line

Value-enhancing acquisitions

In addition to organic initiatives, we aim to increase our scale, complement our service offering, expand our footprint and enhance our technology by pursuing selective and value-enhancing acquisitions. Over the past eight years, we have demonstrated our ability to identify, execute and integrate acquisitions in the expert administrative services industry with the acquisitions of Close Brothers Cayman, WMS, ATC, CRS, CorpNordic, Elian, SFM Spain and Azcona.

In July 2018, Intertrust acquired Seed Outsourcing. Seed Outsourcing is a boutique Australian corporate and fund services firm, providing corporate secretarial, director, domiciliation and payroll services to private equity and real estate fund managers. Intertrust has been working with Seed Outsourcing for more than five years, enabling its global clients to grow their business in Australia and New Zealand. Seed Outsourcing is based in Sydney and the team of six employees has joined Intertrust to work closely with its other offices going forward

We intend to continue to take a disciplined and selective approach to pursue strategic acquisitions and to apply a strict set of selection criteria when evaluating potential acquisition candidates with a clear focus on strategic growth.

Innovation & technology

Further develop our technology foundation to serve changing client needs

Our ambition is to further develop our technology foundation to serve client needs. We seek to provide insight to clients through the consolidation of client data and by empowering decision making. We seek to enhance transparency, providing better and more consistent oversight over activities, deadlines and regulatory changes. We seek to utilise automation to digitise client-facing processes and generate efficiencies. We seek to provide control through managing risks and ensuring clients operate in a compliant environment and with security of information. We seek to reap the benefits of new technology – including regulatory technology (RegTech), client onboarding, robotic process automation and blockchain – in a changing market and regulatory landscape.

In 2018, Intertrust deployed a number of initiatives to further drive innovation and the use of technology. Key Intertrust initiatives currently in development include the creation and deployment of a **client portal**, a **payment portal** and a **virtual boardroom solution**. These will enable us to continue to develop as a tech-enabled corporate and fund solutions provider.

Client portal

Intertrust's client portal provides a view of clients' entire portfolio of Intertrust-administered legal entities, in a secure portal environment The portal is built using Microsoft's latest technology with two-factor authentication, sophisticated encryption and other leading-edge security measures to protect clients' data from unauthorised access It enables our clients to access their data on Intertrust-administered legal entities at any time, from anywhere and using whatever device they choose. Clients will have better control and oversight in using the client portal while benefiting from efficiencies through automation The first group of clients will be able to use the portal in the first quarter of 2019

Payment portal

During 2018, we started implementing our own payment platform. This platform will connect Intertrust with external banks and will enable us to initiate payments and receive payment data in a standardised way. The platform will ultimately interface with our accounting systems and transaction monitoring tools to further increase efficiency. The initial deployment of our payment portal was in the Netherlands office where Capital Markets was the first service line to use it followed by Fund Services. During 2019, the payment platform will be rolled-out to other offices and service lines.

Virtual boardroom

During 2018, we started the global roll-out of our virtual board room (VBR). We started in the Netherlands, followed by Jersey, Guernsey and United Kingdom. VBR is a web-based application in which we efficiently prepare board packs in a secure and digitised environment. By providing our clients access, we can distribute and share the board packs and relevant documents through the web portal or tablet solution. Two-factor authentication and encryption protocols ensure safe and secure data sharing in a user-friendly way. VBR will be rolled-out further in 2019 so that clients will be able to benefit from our global approach having board documentation from all jurisdictions available in one single solution.

IRIS

Intertrust launched a client portal naming competition amongst its staff which resulted in over 300 submissions. Names that truly represented the goals of the client portal and that would be meaningful to the business and our clients were shortlisted. A judging panel decided on the final name: *IRIS*.

This name was selected as the iris is the coloured part of the eye surrounding the pupil which helps us to see clearly. Our portal will give our clients a view of their entire portfolio of legal entities at a glance. It will give them insight, focus and transparency – things we know are important to them.
It will also give Intertrust employees wider, clearer visibility across their clients' portfolios so that they can better understand their activity.

People

Develop and maintain a dynamic and engaged global talent pool

Creating an environment for people to grow, perform and succeed

We believe that our employees' knowledge, local expertise and business relationships are crucial to delivering high-quality services to our clients and generating new sustainable business. We intend to continue to focus on attracting, developing and retaining the best talent in our industry. Our talent strategy is centred on strong teams, platforms for growth and our values-driven culture.

Purpose-led and value-driven teams increase employee engagement, reinforce our strong brand and positioning in the market, and improve performance. To train our employees, we have developed several platforms for personal and professional growth such as, the Global Mobility Programme (in which we seek to support the international mobility of our staff with a view to further developing their skillsets and further increasing cooperation, knowledge sharing and cross-selling across our global network); the Global Intertrust Academy (in which we train and educate our employees in technical skills, as well as leadership, business development and relationship management skills); 'One Journey' (a programme which aims to develop a positive workplace culture and environment as well as an 'Intertrust way' of working); and our Talent Program (a global talent development programme which offers a range of classes and assignments to develop leadership within the global business environment).

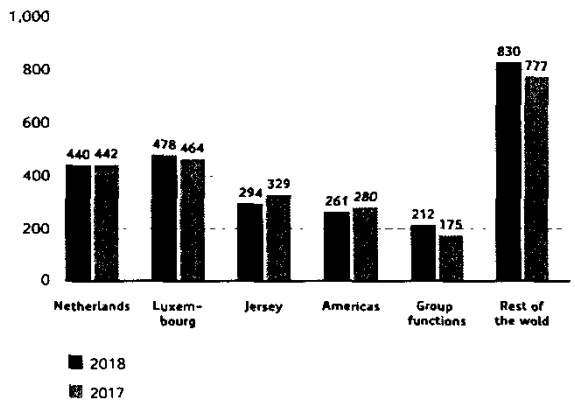
Employee base

We employ more than 2,500 people across 41 offices in 29 countries. Female staff account for approximately 59% of the total. Our employee base represents approximately 91 nationalities with an average tenure of 4.9 years and an average age of 36 years. Over two-thirds of our employees are in the 21–40 age range with 34% in the 21–30 range and 35% in the 31–40 range.

In 2018, the total number of FTEs increased by 1.9% reaching 2,515 at the end of the year (2017: 2,468). Our annual staff turnover rate was 23.2% (voluntary attrition) which is an improvement compared to last year (28.1%) and in line with the industry benchmark

Of the total employees, 77.9% were client-focused, while support functions and operations accounted for the remainder.

FTEs



Engagement

Strengthening employee engagement is a key part of our HR strategy. We continued last year's One Journey initiative and focused on having more feedback conversations, for which all managers were asked to discuss giving and receiving feedback with their teams in February and March 2018. To further assist managers with increasing engagement in their teams, we run our annual global employee engagement surveys and coordinate initiatives to follow up on these survey outcomes. The survey was conducted in March 2018 with follow up team meetings as of June. Results were used to further improve engagement on all levels, ranging from individual teams to global initiatives.

Furthermore, we have initiated a Senior Leadership Group in Q4 2018. The purpose is to increase the involvement of our senior leaders in executing our strategic agenda. On a regular basis, calls are organised to ensure a constant flow of communication between the Executive Committee and senior leaders across the Company.

Global alignment

Following the appointment of our new Chief HR Officer, Roberto Canenti, an assessment was done on the existing HR landscape. As a result, various initiatives have been launched to standardise processes and procedures to create a more consistent way of working and further improve efficiency. Many of these initiatives - ranging from onboarding of new employees to providing a platform with a wide range of e-learnings - will be implemented over the course of 2019.

Operational excellence

Enable our strategic ambitions through standardisation, centralisation and the use of shared services

To best execute our strategy, we adopt best practices including global process standardisation, the creation of centres of excellence, and the outsourcing of certain business processes to nearby countries to improve our customer service. The implementation of these strategies is underway and is expected to support and enhance our profitability over the medium term.

During Capital Markets Day, we announced that we will be pursuing the set-up of a shared services centre – or centre of excellence – at a nearshore location. The purpose of the centre of excellence is to concentrate some of our core activities to strengthen our competitive positioning while delivering value for our clients and driving operational excellence

Meanwhile, we are further pursuing initiatives to standardise our processes across the globe and to continue implementing technology as these will be key enablers for the centre of excellence.

> "To best execute our strategy, we adopt best practices including: global process standardisation; the creation of centres of excellence; and the outsourcing of certain business processes to nearby countries to improve our customer service."

Value creation

Intertrust operates in an environment where policies, services and performance are influenced by ever changing market trends as well as by developments in the regulatory environment. As a global leader in providing expert administrative services to clients operating and investing internationally, we share our in-depth knowledge of this environment with clients in order to help them be good corporate citizens. By focusing on delivering high-quality expert services, we aim to build long-term relationships and, ultimately, enable global businesses to grow sustainably.

As part of our transformation from an expert administrative services provider into a tech-enabled corporate and fund solutions provider, we analysed our added value to stakeholders and shareholders using the value creation model proposed by the IIRC (International Integrated Reporting Council). The outcome, shown on page 24, gives an overview of our impact on stakeholders and the value we create in the long term.

> "By focusing on delivering high-quality expert services, we aim to build long-term relationships and, ultimately, enable global businesses to grow sustainably."

The Intertrust value creation model is at the core of everything we do and it helps us make a positive impact in terms of clients, employees, investors and society at large. It provides insights into the relationships, regulatory environment and capital (both human and financial) in our business model to create value in line with our three strategic ambitions: linking clients & services, innovation & technology, and people.

Intertrust's success is highly dependent on the people working within the company. It is the people who make the difference in delivering value to our clients. That's why the ability to attract and retain the right people is a key driver of growth. We strive to be an employer of choice by nourishing a purpose-led, value-driven culture. We challenge our people to perform to the very best of their ability and seize the opportunities the Group offers. Instrumental in this are Intertrust's values as they describe our identity as an employer: responsive, excellent, innovative and connected are all part of the Intertrust identity. By investing in training and development, we encourage our professionals to continuously develop their talents and skills. In this way, we ensure that employees are equipped with the knowledge and expertise required to remain the partner of choice for its clients.

Value creation model

Input

Our key assets

Global client base:
We work with corporates, funds, capital markets and private clients.

Business Partners:
We cooperate with business partners including global law firms, accountancy firms and financial institutions.

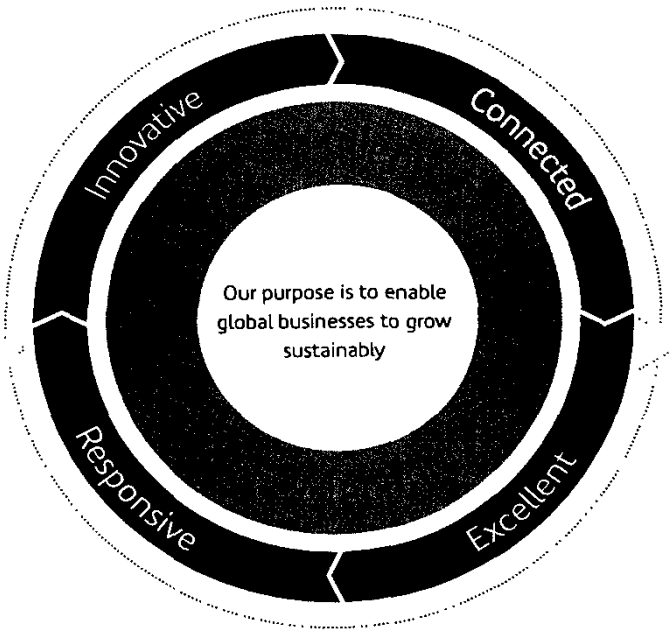
Employees:
We employ more than 2,500 legal and financial professionals with over *80 nationalities across* 41 offices in 29 countries.

Regulation:
Our activities are driven by cross-border tax and investment treaties, legal systems and regulations.

Financial:
Equity investors and *financial institutions* provide the capital base and funding.

Trends and growth drivers

globalisation | regulation | outsourcing | demand for quality | technology



Integrating business ethics and compliance | *Empowering* people | *Creating* shared value

Leading by responsible business practices

Output

Value created and shared

Clients:
We contribute to our clients' businesses by relieving them from their administrative burden.

Investors:
Our strategy and strategic ambitions ensure long-term economic value creation for our investors. We aim to optimise shareholder return over time.

Employees:
By investing in our people we develop competent and empowered financial and legal professionals.

Society:
We safeguard the regulatory reporting requirements of our clients and their contribution to society.

Sustainable development goals

In September 2015, the UN launched its 17 sustainable development goals (SDGs). Countries have adopted these goals to end poverty, protect the planet and ensure prosperity for all by 2030. Intertrust aims to contribute to a sustainable future, both socially and economically, by supporting our clients in fulfilling their legal, administrative and regulatory duties in order to enable them to operate their business efficiently and *responsibly. As an expert administrative service provider,* Intertrust specifically contributes to three goals and their relevant sub targets. In 2019 we will select key performance indicators to enable us to show our progress in helping to achieve the three SDGs as shown below

Goal	Our contribution	Subtargets	
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	8.6	By 2020, substantially reduce the proportion of youth not in employment, education or training.
	Reduce inequality within and among countries	10.2	By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
		10.5	Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations
	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	16.5	Substantially reduce corruption and bribery in all their forms
		16.6	Develop effective, accountable and transparent institutions at all levels

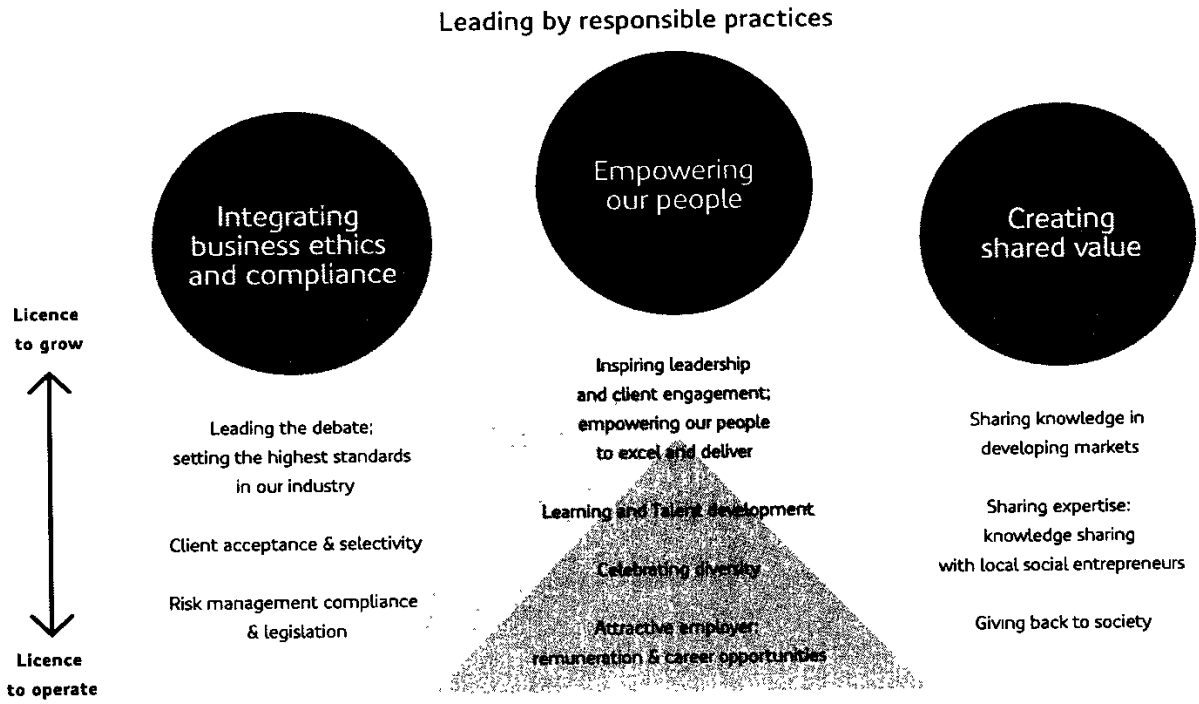
Corporate Social Responsibility

Building a sustainable business requires a balanced relationship with all stakeholders including employees, clients, business partners, investors, the communities we operate in and society at large. In light of this, we defined our long term value creation model in 2018

Our Corporate Social Responsibility programme

The central theme in our Corporate Social Responsibility (CSR) programme is 'Leading by responsible business practices'. It guides our actions by focusing on three key areas

1. Integrating business ethics and compliance
2. Empowering our people
3. Creating shared value



1. Integrating business ethics and compliance

We recognise that by assisting reputable companies, funds, financial institutions and private individuals to comply with their legal, financial and regulatory reporting obligations, we are creating conditions for the sound, transparent and lawful conduct of international trade and investment. Making choices about who we serve and how we serve them is an important part of this process. We therefore consider compliance and integrity within a stringent regulatory environment to be an integral part of our business identity.

Compliance framework

Robust internal governance supported by procedures and systems form the basis of our compliance framework. We apply a variety of resources to ensure our employees are guided by high levels of personal and professional integrity. These include our Compliance and Risk Management Charter, Code of Conduct; regular training programs; mandatory client file checks, ongoing screening of clients, and transaction monitoring. In addition, acceptance committees are responsible for approving any new business. These measures ensure that our employees are able to implement our high standards of compliance in providing our services. Find out more about our Compliance and Risk Management practices on page 38.

> "At Intertrust we adhere not only to the letter but also to the spirit of laws and treaties, including those which govern our clients' dealings."

Client acceptance policies

We have clear strategic goals regarding the types of clients we do and do not wish to serve. We have client acceptance policies in place, containing procedures for the assessment of new clients and entities and the review of existing entities as well as the beneficial owners and directors of such entities. We are required by law to assist in detecting and preventing activities relating to money laundering, terrorist financing and fraud, and to declare suspicious transactions to the local anti-money laundering authorities. We are required to verify the identity of our clients and their ultimate beneficial owners and perform due diligence on the source of funds used in transactions. We take a view on what type of legal entities and structures are sustainable from a regulatory, compliance and risk management perspective, and proactively revise our policies in line with changing societal norms. Consultations with regulators help us to continually improve our operations specifically and industry standards in general.

Continuous checks

At Intertrust we adhere not only to the letter but also to the spirit of laws and treaties, including those which govern our clients' dealings. We know our clients and the business they operate in, and do careful and continuous checks to verify their statements to us. We ensure that the entities we manage for our clients meet all local regulations including any financial, legal and regulatory requirements and obligations to which our clients are bound under the laws and regulations wherever we do business with them.

We are highly aware of our role as gatekeeper and a facilitator of legitimate international investment and trade. We therefore make careful choices about the clients we work with and look to foster long-term relationships with them based on trust and transparency. We interact with our business partners on the same basis, to ensure our mutual clients' needs are correctly met.

> "We consider compliance and integrity within a stringent regulatory environment to be an integral part of our business identity."

Anti-corruption and bribery

Our reputation and licence to operate depend on responsible business conduct. As a quality expert administrative services provider, Intertrust will not enter into, or maintain, relationships with individuals or organisations engaged in, or suspected of having engaged in, illegal or unethical activities. New clients are accepted in accordance with applicable laws, rules and standards on money laundering and terrorist financing.

Intertrust also operates a proactive anti-money laundering and counter terrorism policy. Within these policies, we acknowledge that corruption, bribery and anti-competitive behaviour are not acceptable.

Human rights

Clients wanting to establish long term business relationships with us must respect the UN Universal Declaration of Human Rights and the eight fundamental Conventions of the International Labour Organisation (ILO). In complying with these

guidelines, we support, effective measures to abolish child labour and to eliminate any form of forced labour, the elimination of discrimination in employment and occupation, and the freedom to join a trade union and effective recognition of the right to collective bargaining.

Our client acceptance process includes a review of our clients' overall social performance. We also encourage the reporting of exploitation and the protection of whistle-blowers.

Our Code of Conduct, Modern Slavery Statement and whistle-blower policy are available on our website. https://www.intertrustgroup.com.

"As part of our corporate social responsibility, we acknowledge the importance of contributing to the public finances of the countries in which we create business value by making timely payment of our tax liabilities."

Corporate tax policy

As part of our corporate social responsibility, we acknowledge the importance of contributing to the public finances of the countries in which we create business value by making timely payment of our tax liabilities. We intend to be compliant with the tax laws and regulations in all countries in which we operate and should exert every effort to act in accordance with both the letter and spirit of those laws and regulations. This includes such measures as providing to the relevant authorities the information necessary for the correct determination of taxes to be assessed in connection with our operations and conforming transfer pricing practices to the arm's length principle. Our corporate tax policy is reflected by the following elements

- Our tax principles are aligned with our business principles and our corporate values. We adhere to the principle that tax should follow the business and profits are allocated to the countries in which business value is created.
- We will not enter into transactions or structures that are notifiable to tax authorities under mandatory disclosure regimes unless there are sound business reasons for it and due consideration is given to our reputation, brand, and our corporate and social responsibilities.
- Our objective is to be compliant with national and international rules and best-practice guidelines (such as the OECD Guidelines for Multinational Enterprises) and to adhere to the arm's length principles.
- We recognise our obligation to pay taxes promptly. We take into account the letter and the spirit of laws and regulations, but our obligation does not go beyond paying more taxes than required by law.
- We operate in low-taxed or no-tax jurisdictions for legitimate and justifiable non-tax business reasons. We do not use so-called 'tax havens' merely for tax reduction purposes.
- We commit ourselves to develop and maintain open, constructive and cooperative relationships with tax authorities and other stakeholders, based on integrity and mutual trust and respect.
- Periodical meetings are scheduled by the tax department (joined by the Chief Financial Officer (CFO)) with local management to discuss tax developments, our tax policy and any local uncertain tax positions in detail.
- Intertrust has a limited tax risk appetite.
- Our tax position and tax risk management procedures are regularly discussed at the level of the Executive Committee, Management Board and Audit & Risk Committee of the Supervisory Board.
- Our global tax position is regularly discussed with and reviewed by internal and external auditors. Our annual report provides for clear tax disclosures
- We explicitly confirm our whistle-blower policy to also apply to our tax professionals and tax processes.
- Our Global Tax Policy and Principles of Conduct are approved by the Management Board and are published on our corporate website https://www.intertrustgroup.com/about-us/corporate-social-responsibility

Aligning corporate values with tax principles:

Responsive	Excellent	Innovative	Connected
• We are open and honest, and will value, support and treat everyone (colleagues, clients, and other stakeholders) equally, and with mutual respect in order to support our further growth and improvement of our reputation, brand, corporate and social responsibilities.	• We will work to ensure the business understands that the tax function should be involved throughout transactions from planning and implementation to documentation or maintenance.	• We encourage and enable all staff to raise concerns and report suspected wrongdoing or activities that he/she considers to be dishonest under the Intertrust Whistle-blower Policiy.	• We seek to develop and maintain open, constructive, and cooperative relationships with tax authorities and other stakeholders, based on integrity and mutual trust and respect.
• We observe all applicable laws, rules regulations and disclosure requirements.	• We invest in a team of qualified tax professionals by enabling them to further develop their personal and professional skills and knowledge.	• We apply, diligent professional care and judgement to arrive at well-reasoned conclusions.	• We will work jointly with the business as an equal partner in providing clear, timely, and relevant business focused advice across all aspects of tax.
• We will ensure the business understands our tax risk management policy and principles, including our risk appetite.	• We ensure all decisions are taken at an appropriate level and supported with documentation that evidences the facts, conclusions and risks involved.	• We will provide appropriate input as part of the approval process for business proposals to ensure a clear understanding of the tax consequences (i.e. costs, benefits, risks).	
• We will fully adhere to our Tax Principles and defined in our Global Tax Policy and Principles of Conduct.			
• We are compliant with all anti-bribery legislation.			

2. Empowering our people

We endeavour to be the employer of choice in our sector and are committed to partnership and integrity in the workplace. We make substantial investments to ensure a sustainable growth path by fostering a healthy company culture and by developing our employees

Corporate values

Corporate values form an integral part of our recruitment and selection process as well as of our performance management system. At our Capital Markets Day, we introduced our refreshed corporate values which are aligned with our new set of strategic ambitions. Our values will be reflected in internal and external communications and marketing materials and presentations, in employee appraisals, through the Code of Conduct and through the example set by our senior management (for more information about our values see page 18 in the Purpose and Strategy chapter).

> "We make substantial investments to ensure a sustainable growth path by fostering a healthy company culture and by developing our employees."

Trust, confidence and respect

Our key commitment and core principle is to provide an environment that promotes trust, confidence and respect of our employees, clients, business partners, local and international stakeholders, media, government and regulating authorities as well as industry and social organisations. Based on this ethos, we have created a culture where integrity and transparency are essential to the way we do business and where unethical behaviour will not be tolerated.

Continuous compliance

Our business principles, core values and ethics are described in our Code of Conduct (available on our website). All Intertrust employees worldwide are equally and fully committed to this code. Our internal policies and a continuous compliance training programme aim to establish expectations and awareness of ethical business practices and to ensure compliance with applicable trade restrictions, anti-trust and bribery laws, market abuse rules and other compliance regulations.

We update our Code and principles whenever required to incorporate the latest legal and regulatory requirements. Our Code of Conduct is evaluated at least on an annual basis to check wether it provides our employees sufficient clarity about the standards we expect them to follow and the behavior they should adopt. This did not result in any changes in 2018.

Setting the tone

Senior and board level management see it as an important responsibility to set the right tone at the top of the organisation. They promote quality, integrity and professionalism as the most important characteristics of our day-to-day work. Supervising compliance with the regulatory and quality standards is the joint responsibility of the Management Board and Executive Committee.

Environmental policy

Intertrust believes that corporate social responsibility goes beyond compliance with laws and regulations. It even goes beyond current profitability and success. We believe a sustainable global economy should combine long-term profitability with social justice and environmental care. As a professional services firm, our environmental impact is small compared to many other industries. But our clients, our people and other stakeholders still expect us to minimise our impact. As a responsible business whose operations ultimately rely on natural resources, we want to do everything we can. Most of our operational impact comes from carbon emissions generated by business travel and by energy in our offices We aim to reduce the resources that we consume, such as paper and water, and the waste we generate.

In 2019, we will ask our stakeholders which topics are important to them and which topics they see as most relevant in terms of our significant economic, environmental and social impacts The results will be summarised in a materiality matrix.

3. Creating shared value

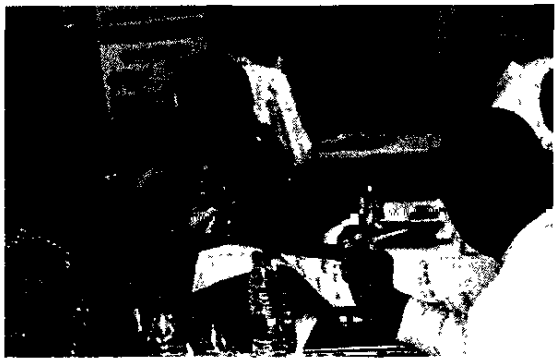
Intertrust Foundation
In 2011, we established the Intertrust Foundation with the aim of engaging our employees in pro-bono services, direct action and fundraising in support of youth and educational initiatives. The Foundation does this in partnership with locally established charities and non-governmental organisations (NGOs). By actively supporting these causes, our employees know they can make a difference for young people across the world, while expanding their personal and cultural horizons.

The foundation has a programme office with four Intertrust representatives who evaluate and vote on matching requests for project proposals from employees. Ambassadors from the different jurisdictions coordinate the community outreach and charitable activities in their offices, set goals and report on achievements.

Global initiatives
The Intertrust Foundation runs global initiatives in support of educational programmes. In 2017, to mark our 65th anniversary, Intertrust announced a three-year global partnership with SOS Children's Villages. The CSR charity partner was chosen by employees.

Local initiatives
We also support a number of local initiatives. A large number of fundraising events and donations were organised by local employees in 2018 including running the New York Marathon and several local initiatives where employees organised fundraising activities such as 'Strike a Pose' in the Netherlands and the Service Line Beach Clean Challenge in Jersey.

Other locally supported organisations focus on areas such as homelessness, environmental protection, facilities for the blind; disaster relief; medical research, health and wellness; and cultural preservation.



No Business As Usual

A youth employment program of SOS Children Villages

- By supporting the project in Kumasi, Ghana, Intertrust supports 500 young adults over a three-year period to develop their skills of and get access to jobs and start-ups through an economic Innovation Hub in Kumasi.
- Ultimate objective of the project: employment of 375 young adults.
- Intertrust has created a dedicated Crowdfunding Platform where Intertrust employees can advertise their initiatives to raise funds for the Innovation Hub.

Financial performance

Reporting and segmentation

As of 2018, Cayman Islands is included within the new Americas segment, together with Bahamas, BVI, Curacao, USA and Brazil, previously part of the Rest of the World segment.

On 14 January 2019 Intertrust announced it will simplify its organisational structure by replacing its current geographical setup of five segments with three segments. As of Q1 2019, the Company will report on:

- Western Europe (Belgium, Germany, Luxembourg, Netherlands and Switzerland)
- Americas (Bahamas, Brazil, BVI, Canada, Cayman Islands, Curacao and USA)
- Rest of the World (Asia Pacific (Australia, China, Hong Kong, Japan and Singapore), and Northern and Southern Europe (Cyprus, Denmark, Finland, Guernsey, Ireland, Jersey, Norway, Spain, Sweden, Turkey, UAE and UK)

Revenue and EBITA

In 2018, revenue increased 2.2% (+3.5% underlying) to EUR 496.1 million compared to EUR 485.2 million in 2017. Revenue growth was mainly driven by growth in Luxembourg (+12.4% underlying) and Rest of the World (+6.0% underlying).

Reported EBITA for the year was EUR 172.0 million in 2018 compared to EUR 173.8 million in the previous year. Reported EBITA margin was 34.7% versus a reported EBITA margin of 35.8% in 2017.

In 2018 adjusted EBITA increased 1.8% underlying to EUR 185.9 million compared to EUR 185.1 million in 2017. On a full year basis the increase in adjusted EBITA was softened by higher HQ costs The adjusted EBITA margin was 37.5%, which exceeded our guidance of at least 37%.

Business growth

Gross inflow of entities during 2018 was 7,624 and gross outflow was 9,587 resulting in a net outflow of 1,963 entities. The number of entities developed in line with expectations. Total inflow in 2018 was 10% higher compared to the inflow in 2017. The main reason for outflow was end-of-life, with a stronger concentration of outflow in the high volume, lower ARPE jurisdictions. ARPE for 2018 increased 6 4% (+7 7% underlying) to EUR 10.2 thousand, driven by the increase of high value entities in Funds and Capital Markets, which are key strategic growth areas.

Financing and tax expenses

The reported financial result of EUR 32.9 million negative in 2018 (2017: EUR 25.9 million negative) included interest expenses of EUR 31.8 million (2017. EUR 27.3 million). The reported financial result on a full year basis included the write-off of capitalised costs (EUR 3.5 million) relating to the previous debt facilities agreement These costs are one-off items and are excluded in the calculation of adjusted net income. On 14 November 2018 the Company completed a refinancing by replacing its previous debt facilities with EUR 500 million senior unsecured notes and a new senior facilities agreement of approximately EUR 435 million.

The income tax expenses amounted to EUR 8.4 million in 2018 (2017: EUR 18.9 million). The decrease was the result of a change in corporate income tax rate mainly in the Netherlands impacting our deferrend tax positions. As a result, the effective tax rate for 2018 was 8.6% (2017: 17.6%) Normalising the tax expenses for the impact of the one-off release, the adjusted corporate income tax rate was 18.2%. The benefit of the deferred tax liabilities adjustment is excluded in the calculation of adjusted net income.

Net income

Net income for the year was EUR 89.4 million or EUR 137.7 million on an adjusted basis. The adjustments in

2018 were the exclusion of amortisation (EUR 41.3 million), Specific items (EUR 13.9 million), one-off in finance expenses (EUR 3.5 million), one-off in tax (EUR 1.0 million benefit) and the impact of tax rates changes on the Deferred Tax balances (EUR 9.3 million benefit).

Earnings per share

In 2018, earnings per share were EUR 1.00 (2017. EUR 0.97) and the adjusted earnings per share were EUR 1.54 (2017: EUR 1.53). In 2018, the average number of shares was 89,399,344, while in 2017 the average number of shares was 91,020,700.

Cash, working capital and capex

In 2018, net cash flow from operating activities increased 18% to EUR 185.0 million from EUR 156.9 million in 2017, driven by strong working capital management

Working capital at the end of 2018 amounted to EUR 16.0 million negative versus EUR 0.9 million negative at the end 2017. This strong improvement was mainly driven by an accelerated billing process in Cayman and the implementation of centralised cash collection in the Netherlands, Cayman, Ireland and the UK. More countries will follow in 2019.

Capex in 2018 increased to 1 9% of revenue from 1.5% of revenue in 2017 and is in line with guidance of around 2% of revenue. This is a result of increased investments in technology.

Net debt

On 14 November 2018 a refinancing was successfully completed (see Note 20 for details of the new senior facilities agreement)

Net debt decreased to EUR 682.0 million at the end of 2018 as a result of strong working capital management. The leverage ratio, as defined in the senior facilities agreement, decreased to 3.38x (end 2018) from 3.67x (end of 2017), well within our bank covenant of 4.50x. As a result the margins will be reduced to 2.00% for facility A1 and A2 and 1.60% for the revolving credit facility as per February 2019.

Dividend

In line with our dividend policy of at least 40% of adjusted net income, an interim dividend of EUR 0.30 per share was paid in November 2018 and the final dividend of EUR 0.32 (subject to shareholder approval) will be paid on 7 June 2019, resulting in a total full year dividend of EUR 0 62 per share for 2018.

Netherlands

In 2018 revenue amounted to EUR 115.7 million, a decrease of 1.2% compared to EUR 117.2 million in the previous year. Despite challenging market conditions Intertrust Netherlands continued to increase its market share for the second consecutive year.

Adjusted EBITA declined 3 0% in 2018 to EUR 69.8 million compared to EUR 72.0 million in 2017.The decrease compared to 2017 was mainly driven by lower operating leverage, one-off severance costs and additional costs spent on setting up new services Adjusted EBITA margin was 60 3% for the full year (2017: 61.4%)

The number of entities declined in line with expectations from 3.9 thousand at year-end 2017 to 3.5 thousand at the end of 2018 mainly due to end-of-life. Total inflow in 2018 was 3% higher compared to the inflow in 2017. ARPE increased 12.7% to EUR 33.5 thousand per entity in 2018 (2017 EUR 29.7 thousand).

Following the new reporting structure, as announced on 14 January 2019, Managing Director Intertrust Netherlands, Sara Douwes, has decided to step down. We have appointed Andrew O'Shea as her successor subject to regulatory approval. Andrew joined Intertrust Luxembourg in 2011 and was member of the Luxembourg management team. As of 2016, he worked at Intertrust Ireland as Global Head of Key Clients and, most recently, he was managing director on an interim basis at Intertrust Guernsey.

Luxembourg

In 2018 revenue was EUR 109 1 million, an increase of 12.4% compared to EUR 97.1 million in 2017, which was the result of strong performance in Fund and Capital Market Services and increased client activity levels Growth in Luxembourg came both from existing clients and new client wins. The funds market in Luxembourg is driven by the global trend to base alternative funds in well-regulated onshore jurisdictions.

On the back of strong operating leverage, adjusted EBITA in 2018 increased 22.1% to EUR 62.7 million (2017 EUR 51.4 million). Adjusted EBITA margin amounted to 57.5% in 2018, an increase of 459bps compared to 52.9% in 2017.

The number of entities remained stable at 2.8 thousand at the end of 2018 and 2017. In 2018 the inflow of entities increased 19% compared to 2017. ARPE increased 14.3% to EUR 39.1 thousand in 2018 (2017. EUR 34.2 thousand) which was driven by an increase in specialised services.

Americas

Revenue decreased 1.0% on an underlying basis in 2018 to EUR 84.4 million from EUR 89.2 million in 2017.

In 2018 adjusted EBITA increased 2.8% underlying to EUR 45.7 million compared to EUR 46.4 million in 2017. This was mainly a result of stricter cost management and improved efficiency in processes. This highlights the trend towards improved performance in this segment. Adjusted EBITA margin was 54.1% in 2018, an increase of 210bps compared to 52.0% in 2017.

The number of entities decreased 3.4% to 26.7 thousand at the end of 2018 compared to 27.7 thousand entities at year-end 2017. The decrease was mainly in Cayman due to end-of life, competitive losses and administrative clean-up which was completed in the first half of the year. ARPE increased 2.4% in 2018 on an underlying basis to EUR 3.2 thousand (2017: EUR 3.2 thousand).

Jersey

Revenue in 2018 was slightly lower at EUR 57.9 million compared to EUR 58.5 million in 2017. A large family office decided to insource in Q2 2018 which impacted the revenue development in Private Wealth Services. Eliminating this specific case, Private Wealth grew by approximately 2.9% in local currency in 2018. All service lines performed in line with expectations throughout the year. The challenging market circumstances, driven by uncertainties surrounding Brexit, had an impact on client activity levels in Jersey. We expect this to continue until the UK and EU can provide more clarity on the outcome.

In 2018 adjusted EBITA decreased 1.8% underlying to EUR 29.2 million (2017: EUR 30.0 million). Adjusted EBITA margin amounted to 50.4% in 2018 compared to 51.2% in 2017.

The number of entities decreased from 4.3 thousand at the end of 2017 to 3.7 thousand at the end of 2018, mainly due to insourcing of a large Private Wealth client and an administrative clean-up which was completed in the first half of the year. ARPE increased 15.4% underlying from EUR 13.6 thousand in 2017 to EUR 15.6 thousand in 2018.

Rest of the World (ROW)

In ROW revenue in 2018 increased 6.0% from EUR 123.2 million in 2017 to EUR 128.9 million in 2018 largely driven by support for operational businesses with our local expert administrative services. In July 2018 Intertrust expanded into Australia via the acquisition of Seed Outsourcing which is successfully contributing to the growth in the ROW segment.

Adjusted EBITA amounted to EUR 48.8 million in 2018, an underlying increase of 8.6%. The increase was primarily driven by operating leverage in APAC (Asia Pacific), the Nordics and Spain. Adjusted EBITA margin amounted to 37.9% in 2018 (+102bps) compared to 36.9% in 2017.

During 2018, the number of entities decreased 1.7% to 11.7 thousand (2017: 11.9 thousand entities). The increase in ARPE of 7.8% underlying to EUR 11.0 thousand in 2018 was driven by more specialised services as a result of increased regulatory and compliance requirements.

Group HQ and IT costs

During 2018, HQ costs increased, mainly due to higher staff expenses and Long Term Incentive Plan (LTIP) costs. Additionally, the implementation of GDPR resulted in higher one-off professional fees in the first half of 2018. Towards the end of the year expenses increased further as a result of a catch-up in compensation related accruals, but reached a stable run rate level. The upgrade of the central functions has been completed and there are no further HQ expense increases anticipated. Quarterly HQ expenses excluding one-off items are expected to be in the range of EUR 8.5 - 9.0 million going forward.

The increase in IT costs in 2018 was mainly driven by the initiation of new projects during the year, which are a key part of our strategy to become tech-enabled. This included the set-up of the new client portal - which was successfully launched in January 2019 - and the implementation of the virtual boardroom, an enhanced payment hub and the continued execution of our IT roadmap. This roadmap, consisting of integration, workspace, cloud services, and network upgrades, continues to be on track for delivery in 2019.

Shares and shareholders

Intertrust is committed to maintaining a strong relationship with the investment community in the broadest sense and sets high standards with respect to transparent communication and fair disclosure. The aim of Intertrust's investor relations is to provide all relevant information that could help investors to make well-informed investment decisions. We make every effort to ensure that the information we disclose is accurate, complete and provided in a timely way.

We also provide relevant insight into our activities through selected financial and non-financial press releases. With this in mind, we regularly update the markets on our financial performance, the progress we are making in the execution of our strategy and any other relevant developments using press releases, webcasts, conference calls and other channels. All financial press releases are widely distributed and are also made available to the AFM (the Dutch Authority for Financial Markets). In addition, they are posted on the Intertrust website https://www.intertrustgroup.com/investors.

"Intertrust is keen to engage actively with existing and potential shareholders."

Intertrust is keen to engage actively with existing and potential shareholders, research analysts and rating agencies to build enduring relationships based on a constructive dialogue. Our Management Board hosts one-on-one and group investor meetings during (international) roadshows or in-house meetings, and also attends broker-organised investor conferences. Please refer to our corporate website for Intertrust's policy on bilateral contracts with shareholders and potential shareholders.

Shares repurchase programme 2017-2018

On 13 November 2017, Intertrust announced a programme to repurchase shares for a total aggregate consideration of up to EUR 50 million. On 31 May 2018, we announced the programme was completed. The total number of shares repurchased under this programme was 3,132,378 at an average price of EUR 15.9623, resulting in a total aggregate consideration of EUR 50 million.

Approximately 850,000 of the repurchased shares are used to meet obligations under employee stock ownership and incentive plans vesting in 2018 and 2019. The remainder of the repurchased shares (2,244,190) were cancelled on 25 September 2018

"Share repurchase programme of EUR 50 million completed."

The share repurchase was funded from Intertrust's available cash resources.

Dividend

Intertrust strives to pay a dividend that creates sustainable long-term value for its shareholders. On 30 November 2018 we paid an interim dividend over financial year 2018 of EUR 0.30 per share. We propose to pay a final dividend of EUR 0.32 per share resulting in a total full year 2018 dividend of EUR 0.62 per share (2017: EUR 0.61). Intertrust has a dividend policy with a pay-out ratio of at least 40% of adjusted net income. Dividend dates for 2019 are provided on page 37.

Major shareholders

Once a shareholder's holding exceeds or falls below a certain threshold value (e.g. 3%, 5%, 10%, etc.), Dutch law requires us

to report their holdings to the Dutch Authority for Financial Markets ('AFM').

On 3 May 2018, Blackstone, Intertrust's major shareholder, placed 7.5 million Intertrust shares at EUR 16.00 per share with institutional shareholders via an accelerated book build. The transaction reduced Blackstone's shareholding from 23.39% to 15.24%. Then, on 25 September 2018, Blackstone placed a further 7.7 million Intertrust shares at EUR 15 65 per share with institutional shareholders via another accelerated book build. The transaction reduced Blackstone's shareholding from 15.24%, to ultimately 7.04%.

The following shareholders had a position in Intertrust of more than 3% as of 31 December 2018, based on the filing at the AFM. Actual percentage may differ slightly.

Shareholder	Capital interest[1]	Date of Notification
12 West Capital Management LP	7.07%	10 June 2016
The Blackstone Group LP	7.04%	24 September 2018
Norges Bank	3.68%	25 September 2018
Investec Asset Management	3 44%	3 October 2018
FMR LLC	3 10%	26 October 2018
Portland Hill Asset Management Ltd.	3.09%	22 January 2018
Lucerne Capital Management LLC	3.09%	3 Augustus 2018
Schroders Plc	3.01%	8 October 2018

1 As of 31 December 2018 and according to the AFM registers, there were no open short positions in Intertrust shares

Share price performance

Intertrust has been listed on Euronext Amsterdam since its IPO in October 2015 and its shares are traded under the ticker symbol INTER. The Company has been included in the AMX' mid-cap index of Euronext Amsterdam since March 2016.

The 31 December 2018 closing price for the share was EUR 14.69 which represented a 6.0% decline over the EUR 15.63 closing share price on 31 December 2017.

Opening price as at 2 January 2018	EUR 15.49
Highest closing price 2018	EUR 17.84
Lowest closing price 2018	EUR 13.74
Closing price as at 31 December 2018	EUR 14.69
Market cap as at 31 December 2018	EUR 1.3 billion
Average daily volume shares	151.372

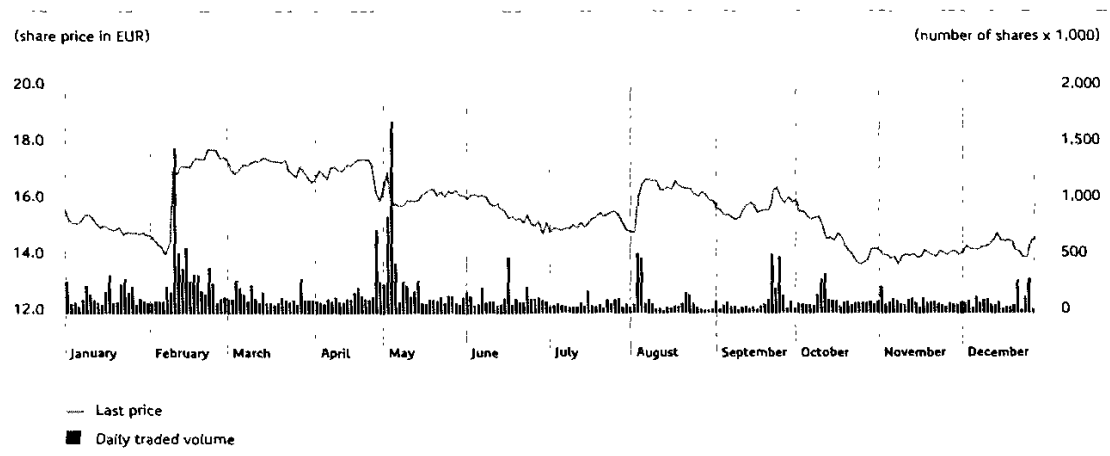
Senior unsecured notes and ratings

In November 2018, Intertrust issued 7-year EUR 500 million senior unsecured notes with a coupon of 3.375% (listed on the Luxembourg stock exchange). The Notes have a BB+ rating at Standard & Poor's and a Ba2 rating with Moody's. For more information about this offering, please refer to the corporate website or Note 20 of the financial report.

Research coverage

Currently, six sell-side analysts are actively tracking us and they regularly publish equity research reports on Intertrust: ABN AMRO, Degroof Petercam, Deutsche Bank, JP Morgan Cazenove, Kempen & Co and UBS. Their details can be found at: https://www.intertrustgroup.com/investors/analysts

INTER share financial year 2018



Financial year and quarterly reporting

Intertrust's financial year runs from 1 January to 31 December. We provide trading updates for the first and third quarters of each year, interim financials for the half year and full audited financial statements for year end

When publishing financial results and trading updates, Intertrust holds conference calls/webcasts for shareholders, analysts and financial journalists that can be accessed through our website.

Closed periods

1 January 2019 – 7 February 2019
1 April 2019 – 25 April 2019
1 July 2019 – 1 August 2019
1 October 2018 – 31 October 2019

Financial Calender 2019

Date	Event
7 February 2019	Publication of Q4 and full year 2018 unaudited results
15 February 2019	Publication of 2018 Annual Report & audited financial statements
25 April 2019	Publication of Q1 2019 trading update
16 May 2019	Annual General Meeting
20 May 2019	Ex-dividend date for final dividend 2018
21 May 2019	Record date for final dividend 2018
7 June 2019	Payment date for final dividend 2018
1 August 2019	Publication of Q2/H1 2019 results & reviewed interim financial statements
31 October 2019	Publication of Q3 2019 trading update

Compliance and Risk Management

The role of Compliance and Risk Management continues to be of key importance to Intertrust

We are fully committed to being compliant with regulatory standards at every location we operate in. Constant regulatory change and scrutiny of our industry shows the necessity of understanding and knowing our clients very well. It is with this knowledge of our clients and an understanding of their requirements that we are able to continually find new and better ways to serve them while ensuring we operate to the highest level of regulatory standards.

Strategic progress

In 2018, reporting from our global Compliance and Risk Management teams into the Group Compliance and Risk Management team and our Executive Committee (ExCo) provided additional tactical and strategic information about our key and emerging compliance and risk matters.

In addition to the quarterly compliance and risk reports to the ExCo and the Supervisory Board, we also completed our third Group-wide Risk Control Self-Assessment.

> "We are fully committed to being compliant with regulatory standards at every location we operate in."

Global standards and legislation for our industry tend to converge. We continue to observe that our regulators are increasingly expecting us to properly control our key processes. Therefore we must ensure our staff are skilled subject matter experts and that compliance and risk processes are well designed, efficient, controlled, monitored, proportional and lead to clear business outcomes. In that light we have enhanced our new client acceptance process alongside revised policies for dealing with screening, sanctions and payment processing principles.

Local management promotes and supports the Compliance and Risk Management teams and recognise the importance of adherence to global policies and standards including the Code of Conduct, sanction monitoring, anti-bribery and corruption and anti-money laundering regulations. Intertrust has a whistle-blower policy in place, allowing employees to report activity which concerns them through an alternative channel which side-steps their reporting line in order to ensure independence.

Risk appetite

During the year, we continued to apply our Group risk appetite and risk tolerances in alignment with our strategy, our Code of Conduct, and our global policies and standards. In countries where we are not under supervision by local authorities, we strive internally to maintain the same best practice standards we apply elsewhere in our Group.

Compliance and Risk Management continues to work with ExCo and the Audit and Risk Committee of the Supervisory Board to regularly evaluate and reassess our Group risk appetite, reacting to new risks, threats, opportunities and changes to regulation as they emerge. This included client acceptance, economic & trade sanctions and payment processing. We are clear on those business activities that we will not accept and we also have internal controls to assess and monitor our higher risk and sensitive business activities and relationships.

It is vitally important for us to know and understand our clients fully and to make sure that the legal entities we provide services to are fully compliant with regulatory standards. We also see this in-depth knowledge and understanding as being an opportunity to add value and enhance our clients' experience.

Our senior leadership, business teams and the Compliance and Risk Management function work together to apply our global policies and standards consistently. A revised Group Policy was implemented for the General Data Protection Regulation (GDPR) in May 2018.

Significant regulatory change will continue to sculpt our financial landscape in 2019 and beyond. There will be a determination of the impact of Economic Substance legislation in many jurisdictions. A continued focus for many regulators is information security and we will ensure that we continue to remain fully compliant with regulations in the countries where we operate. We now have a dedicated Information Security Office team and have implemented a revised Group Policy.

Risk management and internal controls

Our risk management system is based upon the COSO (Committee of Sponsoring Organisations of the Treadway Commission) Enterprise Risk Management (ERM) framework. This is widely accepted as a leading enterprise risk management model for larger companies. The COSO ERM framework takes the company's strategy as a starting point and defines four types of risk: strategic, operational, reporting and compliance.

We strongly advocate the 'three lines of defence model' that outlines the relationships and responsibilities of the business, compliance and risk management, and internal audit functions.

> "We strongly advocate the 'three lines of defence model' that outlines the relationships and responsibilities of the business, compliance and risk management, and internal audit functions."

First line of defence: business

Intertrust's business teams bear primary responsibility for identifying, controlling and monitoring the risks within their processes, maintaining effective internal control frameworks and adherence to global compliance and risk policies and standards.

Second line of defence: Compliance and Risk Management

The Compliance and Risk Management team is globally responsible for coordinating, developing and monitoring Intertrust's risk management processes and adherence to compliance standards and procedures. Compliance and Risk Management is also responsible for the independent risk reports to the ExCo, Supervisory Board and Audit and Risk Committee.

In addition, the Compliance and Risk Management team monitors changes that may impact the risk profile of the business and the appropriateness of providing new services to existing clients. The team also ensures employees in every office receive compliance training.

Third line of defence: Internal Audit

The independent Internal Audit function conducts audits that provide insights into how and to what extent we are controlling the risks that may jeopardise our strategic and other objectives. These audits provide management with additional assurance on the effectiveness of internal controls and risk management.

Developments 2018

Quarterly risk reporting

We continued our quarterly reporting presenting the results as an executive summary dashboard with a comprehensive supporting information deck. The report includes financial crime prevention and compliance monitoring and oversight such as breaches, complaints and incidents. This enables senior management to focus on the actions necessary to further mitigate risks around the Group. The information also facilitates informed management decisions – both on a tactical and strategic level.

Client acceptance

The revised onboarding process has been rolled-out and implemented in the majority of our jurisdictions. The remaining minority will be completed in the first quarter of 2019. This delivers a clearer division of responsibilities between the first and second line of defence resulting in more reliable data in our local client database and leading to more consistency while creating the possibility of more central oversight.

Compliance Monitoring Programme

In 2018 we designed and rolled-out a framework for a Group-wide Compliance Monitoring Programme to provide for a consistent approach in monitoring and managing compliance risks. This will support each of our jurisdictions in testing topics of regulatory and compliance interest and will allow for the sharing of best practices. In 2019, each Intertrust jurisdiction will have a Compliance Monitoring Plan in place, aligned to the Group framework.

Economic and Trade Sanctions Policy & minimum standards

In response to increasing levels of sanctions being introduced this year, particularly from OFAC, and the complexity attached to them, we revised our Sanctions Management Policy and processes.

The revised processes introduce new minimum standards to support our offices in maintaining sanctions compliance. This includes an enhanced methodology for conducting due diligence on clients with activity in sectors or geographies where there are applicable sanctions in place. In certain circumstances the acceptance or maintenance of clients with particular connections to such sanctions may also now require an escalation for approval to the Group's Business Monitoring Committee, a senior committee chaired by the Chief Financial Officer.

Business Continuity Management

In 2018, jurisdictions were provided with more guidance to ensure their local business continuity plans considered denial of access, denial of service, people absenteeism or loss of key resources. We looked at the status of business continuity and Group IT are in the process of providing revised plans and central guidance to assist with all forms of potential continuity events.

Fraud Risk Management

We continued to enhance our approach with the release of payment process principles which incorporate minimum standards for consistent practice across the Group and guidance for our staff in relation to warning signs for the detection of attempted fraud.These warning signs include fraud indicators in emails, letters and telephone calls and certain unusual aspects of payment requests.

General Data Protection Regulation (GDPR)

We completed our implementation of changes to our Group Policies in relation to data protection and privacy in time for the introduction of GDPR in May 2018.

Risk Control Self-Assessment

In 2018, we rolled-out a Risk Control Self-Assessment (RCSA) to identify and validate key risks in Operations, HR, IT, Finance and Compliance & Risk Management. We also conducted this assessment across the jurisdictions from which we operate our services to our clients including all our larger or regulated operational offices.

During this exercise the business identified concerns, risks and trends in strategic, operational, reporting and compliance areas, including IT systems, staff resourcing, data security and privacy, client service operations and fraud. In each of these areas respondents established what actions and management controls were already in place to reduce inherent risks and assessed the likelihood and impact of any residual risks which then became the focus of our attention for alignment with the Group's risk appetite and initiatives.

The results from jurisdictions and Group functions were discussed by the Executive Committee and their attitude to these risks resulted in an agreement on a Group-wide risk register with owners, a local risk register approach, and clear timeframes for further remediation to desired outcomes.

Assessing our main risks

In pursuing our strategic ambitions, we are prepared to take a certain level of risk to achieve our objectives while remaining in alignment with our mission. Operationally, the business continues to mitigate the downside risk of unexpected operational failures. Group Risk Management has advised and supported management in respect of fraud risk, data security and business continuity. Our management of financial and reporting risks continue to focus on alignment and improvement of our global processes. Furthermore, we guide our employees on compliance risks through internal policies, procedures and controls, and by ensuring that our Code of Conduct can be adhered to at all times.

Main risks

People and compliance

The inability to recruit, retain and develop high calibre employees and empower them with responsibility could have an adverse effect on the level of our service our clients expect. Our HR strategy remains focused on implementing our succession and resource planning process globally to support and meet our needs.

We continue to invest in our ability to oversight, review and monitor client and business activities, whilst ensuring we meet compliance obligations and support our compliance services in a fast-paced and constantly changing legal and regulatory environment.

Furthermore, we will continue investment in training and development to ensure we can deliver high standards of quality and professionalism, and promote our code of conduct

IT

Disruptions in our information technology and infrastructure can have a material adverse effect on our business, its continuity, the results of operations, and our financial condition.

Our investment in IT infrastructure and talent as well as continuing the roll out of Group-wide systems, continues to mitigate these risks and improve the resilience of our network.

Our business continuity management programme proactively addresses potential disruptions to our operations or supply chain. Key areas of focus are strategies to ensure that we can continue to operate and meet demand in adverse circumstances, and arrangements designed to respond to failures in technology and recover the infrastructure that supports business continuity

Data integrity and cyber security

Data is key to our business. The protection and integrity of our data is important to prevent loss of commercial opportunity *whilst also maintaining an ability to monitor our security and* privacy risks. It is important that we continue to improve the consistency of data quality and integrity across our jurisdictions globally.

Cyber security is a growing risk as our business changes, data volumes grow, cyber security threats become more sophisticated, and some data sets converge. Emerging technologies and future business models will also further enhance the focus on privacy and information security. Failure to manage our client and corporate data can result in significant reputational, financial and regulatory implications. It can also damage the trust our clients have in our ability to keep their information secure.

We have implemented a number of company-wide controls to manage this risk and have a data and cyber security awareness programme. We also regularly review and update the security controls on our network based on known security threats and the latest intelligence.

Operational effectiveness

We are actively monitoring our ability to meet our key goals and objectives by delivering successful projects that will provide improvement to our business and make sure that we can stay abreast of a fast-paced and constantly changing legal and regulatory environment

Global alignment of workflows and automation of processes will continue to achieve efficiencies whilst increasing the effectiveness of our safeguards and controls. As part of our work, we will increase awareness among staff of the risks and impact that can result from fraud and cyber threats.

Public opinion and regulation

We operate in a global and competitive market where demand for our services can also be influenced by political trends and changes in regulatory regimes.

We are conscious of the fact that changes in law and regulation in many jurisdictions can have negative as well as positive effects on our business and bring uncertainties to our existing and new clients. We continue to develop our compliance and risk management capabilities.

We closely monitor public and political debate impacting our industry (including discussion over Economic Substance, Brexit, Anti Tax Avoiding Directive and US Tax reforms) and the

(potential) development of new legislation in all jurisdictions and regions where we operate.

Executive Committee discussions reinforced our conviction that more regulation means commercial opportunities, and Intertrust is convinced and confident that it can deal well, and comply, with additional and changing laws and regulations.

Reporting

We operate across many countries and have numerous reporting entities and a low level of centralisation. It is critical that all these entities report to the same standards and deliver the same high-quality of reporting in line with our financial accounting and compliance reporting principles

In 2018, Intertrust has expanded the internal control activities and documentation of the controls. We have performed and completed a thorough selection process regarding the replacement of our current enterprise resource planning applications. Implementation of the selected system follows in 2019 and is expected to be completed in 2020. Harmonisation, standardisation and use of best practices are core principles during design and implementation of the system.

Ongoing attention for adequate accounting policies, a standard chart of accounts for Group reporting, standard reporting formats, periodic training and active monitoring of critical financial transactions and segregation of duties conflicts, form part of our internal control framework.

"It is critical that all entities report to the same standards and deliver the same high-quality of reporting in line with our financial accounting and compliance reporting principles."

Financial risks

The Group is funded with a mix of own capital and external capital (term loans, loan facility, senior notes), and holds bank balances and receivables in different locations and currencies. We have identified the following key financial risks which have been mitigated with proportionate measures and are monitored on different levels within the Company.

- The majority of our debt (senior notes) has a fixed interest rate. For the portion with variable rates (term loans) we have hedged 50% of the risk with interest rate swaps. Cash flow volatility resulting from the interest rate fluctuation is limited to the non-hedged part of the term loans.
- The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities. The exposures are mainly with respect to the US dollar (USD) and Pound Sterling (GBP). Our Group EBITDA is roughly generated for 20% in USD, 20% in GBP, and 55% in EUR. The loans and borrowings of the Group are denominated for approximately 20% in USD, 15% in GBP and 65% in EUR. With this split we have matched to a significant extent the cash flows generated by the underlying operations of the Group with the debt which provides an economic hedge. Over the longer term, however, permanent changes in foreign exchange rates and the availability of foreign currencies, may have an impact on our financial results.
- We carry significant intangible assets on our balance sheet related to goodwill and intangibles for brand name and client relationships resulting from acquisitions. There is a risk of impairment for these assets. The conclusion of our impairment assessment as per 31 December 2018 is that no impairment is required.
- Liquidity risk includes the risk to a shortage of funds and the risk to encounter difficulty in meeting obligations associated with financial liabilities. The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. A cash pool and inter-company financing enables us to provide all group entities with sufficient liquidity.
- Our businesses operate globally and our profits are subject to taxation in many different jurisdictions and at differing tax rates. Tax laws that currently apply to our businesses may be amended by the relevant authorities or interpreted differently by them, and these changes could adversely affect our reported results and cash tax expenses.

In the financial statements, the financial risks are discussed in Section. Financial instruments, note 23.

Statement by the Management Board

Management Board responsibility statement under Dutch Corporate Governance Code

In accordance with best practice 1.4.3 of the Dutch Corporate Governance Code, the Management Board is responsible for establishing and maintaining adequate internal risk management and control systems. Intertrust manages strategic, operational, compliance and finance/reporting risks by applying a global internal risk management and control framework described in the Compliance and Risk Management chapter on page 38 of this Annual Report. During 2018, the design, alignment, monitoring and reporting on key processes and the internal control framework has continued to be a key objective for the Company.

In 2018, various aspects of risk management were discussed by the Executive Committee, including the results of the annual Risk Control Self-Assessment (RCSA) and the progress to mitigate risks in risk registers. The responsibilities concerning risk management and compliance, as well as the role and responsibilities of our three lines of defence were also discussed with senior management. In addition, the results of the RCSA and the design and harmonisation of key processes have been reviewed by the Audit and Risk Committee and the Supervisory Board. These assessments did not highlight any material risk and/or major control deficiency and concluded an overall improvement of the organisation.

Intertrust prepared the 'In Control Statement' for 2018 in accordance with best practice provision 1.4.3 of the new Dutch Corporate Governance Code. With due consideration to the above and reference to the information described in the Compliance and Risk Management chapter on page 38 of this Annual Report, the Management Board believes that (i) its internal risk management and control systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies; and (ii) that sufficient insights are provided into any failings in the effectiveness of the internal risk management and control systems.

The Management Board confirms that based on the current state of affairs and to the best of its knowledge, it is justified that the financial reporting is prepared on a going concern basis and that the Annual Report states those material risks and uncertainties that are relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of the report.

Conformity Statement

With reference to section 5.25c paragraph 2, sub c of the Financial Markets Supervision Act (*Wet op het financieel toezicht*), the Management Board states that, to the best of its knowledge

- The annual financial statements for 2018 give a true and fair view of the assets, liabilities, financial position and profit or loss of Intertrust Group and its subsidiaries;
- The Annual Report gives a true and fair view of the state of affairs as per 31 December 2018 and the course of business during 2018 of Intertrust Group and of its affiliated companies of which data is included in the annual financial statements, together with a description of the principal risks facing Intertrust Group.

Amsterdam, 14 February 2019
Stephanie Miller, Chief Executive Officer
Hans Turkesteen, Chief Financial Officer
Henk Pieter van Asselt, Chief Commercial Officer

Report from the Supervisory Board

The Supervisory Board of Intertrust N.V. (Intertrust or the Company) is pleased to present its report for 2018 – a year in which Intertrust's purpose and strategy aimed at long-term value creation were further defined alongside an in-depth review of Intertrust's corporate culture.

The year 2018 started with the arrival of a new CEO, Stephanie Miller, in January, succeeding David de Buck who had been successfully leading Intertrust for many years. With Stephanie's arrival, Intertrust's purpose and strategy aimed at long-term value creation were placed on top of the agenda during the entire year and an innovative growth path towards a confident future was further laid out. The Company welcomed Hans Turkesteen as the third member of the Management Board in October 2018. Hans had been with Intertrust as CFO and member of the Executive Committee since November 2017 and has proven to be a valued member with his long-term track record with listed companies and his broad finance experience. With the changes in Management Board occurring in 2018, the Supervisory Board is confident that Intertrust's governance framework has further solidified with diverse leadership and the right expertise in its leadership.

"With Stephanie's arrival, Intertrust's purpose and strategy aimed at long-term value creation were placed on top of the agenda during the entire year and an innovative growth path towards a confident future was further laid out."

In addition, 2018 was also the year in which, amongst others, the General Data Protection Regulation (GDPR) entered into force, a share buy-back program was finalised resulting in the cancelation of a substantial number of shares, Intertrust's first Capital Markets Day was successfully held and the Company launched a large refinancing project including the issuance of senior notes, all projects requiring substantial attention from both the Management Board and the Supervisory Board during the year

"The current composition of the Supervisory Board complies with the gender criteria prescribed by article 2:166 of the Dutch Civil Code in that it includes 30% female representatives."

Composition, diversity and independence of the Supervisory Board

Intertrust has had a two-tier corporate structure under Dutch law since 21 August 2015. The Supervisory Board functions as a separate corporate body and is fully independent from the Management Board. The Supervisory Board is charged with supervising the policies of the Management Board and the general course of affairs of the Company and its subsidiaries.

The composition of the Supervisory Board is such that members act independently and critically from each other, the Management Board, the Executive Committee, and any one of particular interest. The background, knowledge and expertise of each Supervisory Board member adds to the board's effectiveness, enabling it to fulfil its duties in the Company's best interests.

The members of the Supervisory Board as of 31 December 2018 are listed below. For full individual biographies, please refer to the Supervisory Board section (see page 59) in the Corporate Governance chapter of this Annual Report.

The Supervisory Board aims to have a strong representation of diversity in terms of gender, age, career stage and nationality. *The current composition of the Supervisory Board complies* with the gender criteria prescribed by article 2:166 of the Dutch Civil Code in that it includes 30% female representatives. When a vacancy arises within the Supervisory Board, gender is an aspect that is taken into consideration during the search for a suitable candidate. Intertrust believes that diversity, both in terms of gender and background, is critical to its ability to be open to different ways of thinking and acting, eventually enhancing its long-term sustainability.

During 2018, one out of six Supervisory Board members, Paul Willing, was not considered independent within the meaning of Best Practice Provision 2.1.8 of the Corporate Governance Code. As of September 2018, Lionel Assant is considered an independent Supervisory Board Member under the Corporate Governance Code as a result of the reduction of Blackstone's stake in Intertrust to below 10%. Please refer to the Supervisory Board section (see page 59) in the Corporate Governance chapter of this Annual Report for more details.

Composition Supervisory Board

Name	Date of birth	Gender	Nationality	Profession	Year appointed	Year of possible re-appointment	Other non-executive positions
Hélène Vletter-van Dort	15 October 1964	Female	Dutch	Professor of Financial Law & Governance at Erasmus School of Law, University of Rotterdam	2015	2019	2
Lionel Assant	22 May 1972	Male	French	Senior Managing Director and European Head of Private Equity for the Blackstone Group	2015, reappointed in 2018	2022	6
Toine van Laack	4 April 1963	Male	Dutch	Non-executive director	2017	2021	3
Anthony Ruys	20 July 1947	Male	Dutch	Supervisor	2015	2019	2
Charlotte Lambkin	1 February 1972	Female	British	Non-executive director	2017	2021	0
Paul Willing	17 December 1965	Male	British	Non-executive director	2017	2021	3

Hélène Vletter-van Dort

Chairperson and Independent Supervisory Board member.

Member of the **Audit and Risk Committee** and the **Remuneration, Selection and Appointment Committee.**

Lionel Assant

Vice-Chairperson and Supervisory Board member representing shareholder Blackstone.

Member of the **Audit and Risk Committee.**

Toine van Laack

Independent Supervisory Board member.

Chairman of the **Audit and Risk Committee.**

Anthony Ruys

Independent Supervisory Board member.

Chairman of the **Remuneration, Selection and Appointment Committee.**

Charlotte Lambkin

Independent Supervisory Board member.

Member of the **Remuneration, Selection and Appointment Committee.**

Paul Willing

Supervisory Board member. Former CEO of Elian – not considered independent under the Dutch Corporate Governance Code.

Activities and meetings of the Supervisory Board in 2018

During the year, the Supervisory Board had access to all necessary and relevant information and Company personnel to effectively carry out its fiduciary duties in a timely fashion.

The Supervisory Board formally met eight times in person and twice by conference call. In addition, the Supervisory Board had multiple conference calls on a variety of topics which required their attention and deliberation, such as the issuance of EUR 500 million senior unsecured notes. The overall attendance rate was 93%. None of the Supervisory Board members was frequently absent at these meetings and in all meetings there was sufficient presence to constitute a valid quorum

Recurring topics at these Board meetings included

- Strategy, purpose and culture
- Monthly results
- Compliance and Risk Management
- Legal updates
- IT updates
- Mergers & Acquisitions
- HR related matters
- Committee reports and recommendations (where applicable)

Additional topics discussed in more depth during 2018 included:

- External assessment of the Management Board and the Executive Committe and succession planning of the Management Board and Executive Committee
- Governance and remuneration framework
- Intertrust share plan awards and grants
- Share repurchase program
- Refinancing
- Capital Markets Day
- Interim dividend distribution
- Annual results 2017 and related reports and press releases
- External audit opinion and audit report 2017
- Nomination for reappointment of external auditor
- Engagement of external auditor
- Approval audit plan 2018
- Quarterly results 2018 and related reports and press releases
- Budget 2019
- Financial plan 2019-2021
- Capital structure and allocation
- Tax matters
- Sales and business development strategy
- Internal audit plan 2018
- IT strategy and priorities
- Global Operations
- General Data Protection Regulation (GDPR)

The Supervisory Board also had in-depth sessions into some jurisdictions and service lines, during which they were given detailed information about the relevant Intertrust business operations, and the main risks and opportunities in these markets.

The Supervisory Board adopted written resolutions during the year to approve, amongst others, the following items:

- Cancellation of repurchased shares
- Nomination of CFO to the Management Board
- Management Agreement new CFO
- Refinancing

The Chairperson and other members of the Supervisory Board maintained regular contact with Intertrust's CEO and other members of the Management Board during the year to address relevant topics.

The members of the Supervisory Board continued their Permanent Education program in order to remain updated on any relevant developments which would enable them to perform their supervisory tasks During 2018, two Permanent Education sessions were held for the Supervisory Board Both sessions were presented by external parties

Activities of the committees of the Supervisory Board

The Supervisory Board is supported by two committees: the Audit and Risk Committee and the Remuneration, Selection and Appointment Committee. The committees are responsible for preparing items delegated to them on which the Chairperson of each committee provides verbal reports on the discussions of each committee and the recommendations to the Supervisory Board

The charters of each committee are published on the Company's website.

Audit and Risk Committee

The Audit and Risk Committee consists of three members. As of 31 December 2018, these members were: Toine van Laack (Chairperson), Lionel Assant and Hélène Vletter-van Dort. The Audit and Risk Committee assists the Supervisory Board in fulfilling its oversight responsibilities with regard to, amongst others: the integrity and quality of the Company's financial statements, the financial reporting process; the effectiveness of the Company's internal risk management and control systems, the internal and external audit process and the Company's process for monitoring compliance with applicable laws and regulations, the Corporate Governance Code and the Company's Code of Conduct.

The Audit and Risk Committee met five times during 2018 with an attendance rate of 87%. Additionally, most meetings were also attended by the CEO, the CFO, the CCO, the External Auditor and the Group Head Internal Audit. Some meetings were also attended by the Group Head Compliance and Risk Management.

In addition, the Chairperson of the Audit and Risk Committee had several individual meetings with the CFO, with the Group Head Internal Audit and the Group Head Compliance and Risk Management.

The Audit and Risk Committee meetings included the following items and topics:

- Annual accounts and annual report 2017
- External audit opinion and audit report 2017
- Audit plan by the external auditor and the related audit fees
- Advice to the Supervisory Board regarding nomination for reappointment external auditor
- Proposal to the Supervisory Board regarding external auditor's engagement
- Approval audit plan 2018
- Report to the Supervisory Board on the functioning of the external auditor
- Quarterly and half-year results, financial statements and related press releases
- Review half-year results by external auditor
- Refinancing
- Compliance and Risk Management self-assessment
- Internal audit self-assessment
- Internal audit plan 2018
- In control statement
- General Data Protection Regulation (GDPR)
- Internal control framework
- Legal and tax update
- Share repurchase and cancellation program

Remuneration, Selection and Appointment Committee

The Remuneration, Selection and Appointment Committee consists of three members. As at 31 December 2018, these members were: Anthony Ruys (Chairperson), Hélène Vletter-van Dort and Charlotte Lambkin. The Remuneration, Selection and Appointment Committee advises the Supervisory Board on the remuneration of the individual members of the Management Board and monitors the Remuneration Policy. Its responsibilities include, amongst others, setting Remuneration

Meeting attendance of Supervisory Board and committees

Meeting attendance	Supervisory Board	Audit & Risk Committee	Remuneration, Selection and Appointment Committee	Total
Hélène Vletter-van Dort	10 out of 10	5 out of 5	4 out of 5	19
Lionel Assant	8 out of 10	3 out of 5	n/a	11
Toine van Laack	9 out of 10	5 out of 5	n/a	14
Anthony Ruys	9 out of 10	n/a	5 out of 5	14
Charlotte Lambkin	10 out of 10	n/a	5 out of 5	15
Paul Willing	10 out of 10	n/a	n/a	10

Policy and compensations standards, preparing proposals concerning the individual remuneration of the members of the Management Board and monitoring incentive and equity-based compensation plans. Furthermore, the Remuneration, Selection and Appointment Committee is responsible for the selection and appointment procedure of members of the Management Board and of the Supervisory Board. The committee meets at least twice a year.

The Remuneration, Selection and Appointment Committee held five official meetings during 2018. These meetings had a 93% attendance rate. The following items and topics were on the agendas for these meetings.

- Remuneration package CFO
- Short Term Incentive (STI) members Management Board and Executive Committee
- Performance evaluation members Management Board and Executive Committee
- Long Term Incentive (LTI) allocation and awards 2018
- Management Board and Executive Committee succession and development plan
- Target setting Management Board 2018
- Pay ratio
- Remuneration framework
- Governance structure 2018
- Management Board members views on own remuneration

The Remuneration, Selection and Appointment Committee ensures that the remuneration of the members of the Management Board is consistent with the Remuneration Policy, with the discretion to deviate where this is required necessary to ensure the aforementioned principles are met. Please refer to the chapter Remuneration (see page 50) for more information on the Remuneration Policy.

Self-assessment

In 2018, the Supervisory Board had an assessment of its own functioning, the functioning of the Chairperson and that of its two committees performed by an external board evaluator Individual interviews with Supervisory Board members, members of the Management Board and the Company Secretary took place. The report from the external board evaluator summarising the main themes and points of attention has been discussed in February 2019 resulting in an action list to follow up on the feedback.

Additionally, the Management Board conducted the evaluation of its own functioning by completing a questionnaire. The outcome of this self-evaluation and the steps to be taken in 2019 were discussed among the members of the Management Board.

Remuneration

The Remuneration Policy was originally adopted in September 2015 and an amended version was approved at the Annual General Meeting of 16 May 2017. Any subsequent amendments to it as applicable to the Management Board are subject to adoption by shareholders at a General Meeting.

This remuneration report is issued by the Supervisory Board based on the Remuneration, Selection and Appointment Committee's recommendations. This committee presents an overview of the remuneration policy, the remuneration structure, the application of the Remuneration Policy and the components of the remuneration of the Management Board. In addition, the Remuneration, Selection and Appointment Committee is informed about the remuneration of direct reports to the Management Board, including applicable short-term and long-term incentive arrangements.

Remuneration principles

The Management Board is responsible for executing the Company's strategic plan. The Remuneration, Selection and Appointment Committee ensures that the performance metrics used in the Company's variable remuneration incentive plans hold the members of the Management Board accountable for the successful delivery of this plan. Therefore, it is the Remuneration, Selection and Appointment Committee's view that a variable compensation component should be directly linked to the Company's strategic objectives and key performance indicators, i.e. a combination of financial and non-financial performance measures and individual performance objectives.

The Remuneration Policy is designed based on the following remuneration principles

1. The Remuneration Policy should enable the Company to attract, motivate and retain qualified employees (including members of the Management Board and other senior management).
2. The Remuneration Policy should provide for a balanced remuneration package that is focused on achieving sustainable financial results, is aligned with the long-term strategy of the Company and which fosters alignment of interests of management with shareholders.
3. Remuneration structure and performance metrics should be generally consistent for the Management Board and senior managers to build a cohesive culture, facilitate international rotation of management, encourage teamwork and establish a common approach to drive Company success.
4. The Remuneration Policy should be simple, clear and transparent.

The Remuneration, Selection and Appointment Committee ensures that the remuneration of the members of the Management Board is consistent with this Remuneration Policy, with the discretion to deviate where this is necessary to ensure the principles outlined above are met.

Management Board remuneration policy and 2018 result

Name	Date of birth	Gender	Nationality	Position	Member since	Term until
Stephanie Miller	28 May 1968	Female	American	Chief Executive Officer	7 February 2018	4 years - 2022
Hans Turkesteen	3 November 1963	Male	Dutch	Chief Financial Officer	17 October 2018	4 years - 2023
Henk Pieter van Asselt	24 May 1970	Male	Dutch	Chief Commercial Officer	9 November 2017	Will resign per 16 May 2019
David de Buck	16 January 1967	Male	Dutch	Chief Executive Officer	8 September 2014	Resigned per 8 February 2018

Effective 22 January 2018, Stephanie Miller replaced David de Buck as Intertrust's CEO. The remuneration for Stephanie Miller was approved by the shareholders of the Company on 19 January 2018. David de Buck remained employed by Intertrust up to 17 May 2018.

The remuneration structure for members of the Management Board is designed to balance short-term operational performance with the long-term objectives of the Company and value creation for its shareholders. The remuneration package consists of:

- Annual base salary
- Short-term incentive
- Long-term incentive
- Other benefits

Annual base salary

The base salary represents a fixed cash compensation that is set based on the level of responsibility and performance of each executive. The base salary of the members of the Management Board is based on a benchmark, as performed by the external advisor PwC, with 16 relevant peers in the AMX index comparable with Intertrust in terms of level of business complexity and scope.

Variable income

The variable income policy comprises the following instruments which help to strengthen the Management Board's commitment to the Company's objectives and business strategies.

- Short-term incentive (STI) in cash.
- Long-term incentive (LTI) awards of conditional shares, subject to achieving predetermined performance targets and continued employment.

In October 2018, the one-off investment arrangement, the Executive Ownership Plan (EOP) vested.

The Supervisory Board will decide upon each award of variable compensation, taking into account both financial and non-financial performance for each individual member of the Management Board. The award is subject to financial performance criteria based on the Company's strategic objectives and key performance indicators and his or her specific responsibilities to determine their relative weighting.

For 2018, the Supervisory Board has set specific criteria for the Management Board that reflect the relevant performance indicators of Intertrust Group as a listed company.

The Supervisory Board analyses possible outcomes of the variable income components and the effect on Management Board remuneration. This analysis is conducted annually.

Executive Ownership Plan (EOP)

The EOP consisted of a one-off investment arrangement that intended to encourage the long-term commitment and retention of senior management, including members of the Management Board. On the IPO Settlement Date, EOP participants invested in and acquired ordinary shares (the EOP shares) in the Company. The EOP shares were subject to a lock-up of 36 months after Settlement Date following the completion of the IPO on 19 October 2015. In consideration of such lock-up, participants have been granted a 14% discount on the purchase price per EOP share, reflected in the allocation of an increased number of EOP shares to the participant. Participants were awarded the conditional right to receive, for no consideration, one additional matching EOP share (Matching EOP share) for every three EOP shares acquired on the Settlement Date. The conditional right to the Matching EOP shares was transferred on the third anniversary of the Settlement Date (19 October 2018) and is subject to an additional two-year lock-up period for the members of the Management Board, except for the EOP shares that must be sold to cover income taxes due.

Short-term incentive (STI)

The STI is an annual cash bonus. The objective of the STI is to ensure that management is focused on realising pre-established short-term objectives that are aligned to the Company's strategy and appropriately reflect both quantitative and qualitative criteria. The target and maximum bonus opportunity, and the targets pertaining to these are for the Management Board to set annually at the discretion of the Remuneration, Selection and Appointment Committee, in accordance with the Remuneration Policy

Management Board	**STI award as % of base salary**
CEO	30% - 100%
Other members	30% - 100%

The short-term incentive for 2018 was based on the following criteria:

70% financial targets

- Revenue growth
- EBITA growth
- Cash conversion

30% non-financial targets

- Strategic
- Compliance / Risk
- People

The cash bonus for 2018 was approved by the Supervisory Board of the Company on 7 February 2019. The resulting STI award for 2018 amounted to EUR 352,690 for CEO Stephanie Miller and EUR 37,500 for CFO Hans Turkesteen, as of his appointment as a member of the Management Board.

Long-term incentive (LTI)

The LTI intends to drive long-term performance of key employees, support retention and further strengthen alignment with shareholders' interests. An LTI award consists of an award of conditional performance shares that become unconditional at the end of a three-year performance period. It is subject to achieving predetermined targets based on adjusted earnings per share (EPS) growth and to continued employment. The number of conditional performance shares that vest after three years *may vary between 0% and 150% of the number of* conditionally awarded shares, where the shares will vest for 100% upon attainment of an average annual growth of 9% of the adjusted EPS of the Company during the three-year performance period

Adjusted EPS Growth	Vesting
Threshold < 6.00%	0.00%
At target 9.00%	100.0%
Maximum > 12.00%	150.00%

The vesting percentage is allocated linearly between the threshold, at target and maximum levels, based on the principles set out in the Remuneration Policy and will be a number between 0% and 150% of the number of performance shares awarded, as set out above. LTI plans 1 and 2, which started in 2016, will both vest on 31 March 2019.

Shares acquired at the end of the performance period by members of the Management Board are required to be held for a further period of two years in accordance with the best-practice provisions of the Dutch Corporate Governance Code, except for the LTIP shares that can be sold to cover income taxes due. LTI awards to members of the Management Board are made at the discretion of the Supervisory Board in accordance with this Remuneration Policy.

Management Board	**LTI award as of % of base salary**
CEO	50% - 75%
Other members	50% - 75%

The LTIP awards of 2018 for the members of the Management Board were set by the Supervisory Board of the Company on 15 March 2018.

The CEO, Stephanie Miller, was awarded 28,534 shares as part of her remuneration package on joining Intertrust. The shares were awarded as part of her buy-out and are not subject to performance conditions. The CCO, Henk Pieter van Asselt, was awarded 10,000 shares

Pension arrangements

The CEO, Stephanie Miller, received a pension compensation of 25% of her base salary. A similar set-up was applicable to the CFO, Hans Turkesteen.

The CCO, Henk Pieter van Asselt, participated in a Defined Contribution Plan with the age-based contribution level ranging from 6.9% to 24.5%.

Other benefits

Members of the Management Board were eligible for a range of other benefits, such as healthcare insurance, lease car and housing allowance. As per 31 December 2018, the members of the Management Board have no loans outstanding with Intertrust Group and no guarantees or advanced payments are granted to members of the Management Board. No member of the Management Board is entitled under his or her contract to be paid a severance payment upon termination of their appointment that exceeds one times their gross annual base pay in the preceding financial year.

The 2018 remuneration accrued by the Company for their period as directors amounted to EUR 1,076,385 for CEO Stephanie Miller, EUR 146,042 for CFO Hans Turkesteen and EUR 988,845 for CCO Henk Pieter van Asselt, excluding LTIP and EOP costs.

Comparative 2017 tables relating to the Management Board's LTIP and EOP commitments and movements and their overall Management Board remuneration can be found in note 33 2 on page 128 of the Financial Statements

Application of the Remuneration Policy in 2019

In order to stimulate long-term value creation, the Supervisory Board will focus on the long term when performing the target setting for 2019 for the Management Board

Remuneration ratio

The average gross total remuneration, including the variable remuneration, for all Intertrust employees (excluding the ExCo) amounted to EUR 71,864 in 2018

This amount compared with the actual compensation earned by Stephanie Miller in 2018 as of becoming a Management Board member (including base salary, cash allowances, short term incentive paid over 2018 and expenses related to long term incentives in 2018), amounting to EUR 1,177,430, equates to a remuneration ratio of 1:16, compared to a ratio of 1 9.5 in 2017. The remuneration ratio in 2017 was based on the compensation of David de Buck, former CEO of Intertrust, which was compressed due to his substantial holding in the Company. In 2018, the ratio was based on CEO Stephanie Miller's compensation, which reflects the market range for peer group companies and our position as an international company (as approved by our shareholders). Based on PWC's analysis of 2017 remuneration, this ratio puts Intertrust below the AMX average ratio of 1 23.

Remuneration – Supervisory Board

The remuneration of the members of the Supervisory Board consists of fixed annual fees for their role as Supervisory Board members. In addition, the Chairpersons of the Audit and Risk Committee and the Remuneration, Selection and Appointment Committee, respectively, receive a fixed annual fee for these roles. The Blackstone representative on the Supervisory Board does not receive remuneration for its role.

The various board compositions in 2018 are further explained in the Report from the Supervisory Board chapter on page 44 of this Annual Report.

Annual fees per function in the Supervisory Board (in EUR '000 and gross)

Function in Supervisory Board	Fixed annual fee
Chairperson	80
Independent Member	50[1]

1 *An additional fee may be applicable depending on the circumstances*

Annual fees per function in committees of the Supervisory Board (in EUR '000 and gross)

Function in committees of Supervisory Board	Fixed annual fee
Audit and Risk Committee	
Chairperson	15
Remuneration, Selection and Appointment Committee	
Chairperson	*10*

The Company does not grant variable remuneration, shares or options to members of the Supervisory Board. As per 31 December 2018, the members of the Supervisory Board have no loans outstanding with Intertrust and no guarantees or advanced payments are granted to members of the Supervisory Board.

Company-related travel and lodging expenses in relation to meetings are paid by Intertrust.

2018 Fees of Supervisory Board members (in EUR '000 and gross)

Name	Role/Committees	Member since/(until)	Total 2018 fees
Hélène Vletter-van Dort	Chairperson of the Supervisory Board	21 August 2015	80
	Member of the Remuneration, Selection and Appointment Committee		
	Member of the Audit and Risk Committee		
Lionel Assant	Member	21 August 2015	–
Toine van Laack	Member	16 May 2017	65
	Chairman of the Audit and Risk Committee		
Anthony Ruys	Member of the Supervisory Board	21 August 2015	60
	Chairman of the Remuneration, Selection and Appointment Committee		
Charlotte Lambkin	Member	17 October 2017	60
	Member of the Remuneration, Selection and Appointment Committee		
Paul Willing	Member	17 October 2017	50

Corporate Governance

The corporate governance framework of the Company is based on our strategy and in line with the requirements of the Dutch Civil Code and the Dutch Corporate Governance Code (the Code). Intertrust attaches great value to the principles embedded in the Dutch Corporate Governance Code and its vital role in safeguarding the interests of its stakeholders. Intertrust has a two-tier board structure, it has a Supervisory Board and a Management Board. Intertrust has been listed on Euronext Amsterdam since 15 October 2015.

General

Intertrust N.V. is a public limited liability company *(naamloze vennootschap)* incorporated on 8 September 2014 under the laws of the Netherlands. On 15 October 2015, part of the share capital of Intertrust was offered to the public and its shares were listed on Euronext Amsterdam in an initial public offering (IPO).

"Intertrust's management and supervision are embedded in two corporate bodies. Maintaining a two-tier board structure in this way enhances effective corporate governance and independent supervision."

Intertrust's management and supervision are embedded in two corporate bodies. Maintaining a two-tier board structure this way enhances effective corporate governance and independent supervision. With the appointment of the Chief Financial Officer (CFO) to the Management Board in October 2018, the Management Board is again composed of three members and the composition of the Supervisory Board remains at six members. In addition, Intertrust has an Executive Committee which has day-to-day management responsibility for Intertrust. The Executive Committee comprises of the members of the Management Board and leaders with business area or functional responsibility, allowing both the functions and the business areas to be represented at the highest levels in our organisation.

Each member of the Management Board, Supervisory Board and Executive Committee has a duty to Intertrust to properly perform the duties assigned to them and to act in the interest of the Company, extending to the interests of all its stakeholders.

Management Board

Duties

The Management Board is entrusted with the management, the strategy, policies, objectives and results of Intertrust, under the supervision of the Supervisory Board. The Management Board focuses on long-term value creation for Intertrust and its affiliated enterprise, and takes into account the interests of all stakeholders (refer to the Strategy chapter on page 19 of this Annual Report). The Rules for the Management Board (Management Board Rules) describe the duties, tasks, composition, procedures and decision-making of the Management Board, its relationship with the Supervisory Board and with the Executive Committee as well as the individual tasks and responsibilities of each member of the Management Board.

Certain resolutions of the Management Board require the approval of the Supervisory Board. These resolutions are outlined in the Articles of Association and in the Management Board Rules, both of which are available on Intertrust's website: https://www.intertrustgroup.com/investors.

Stephanie Dawn Miller
(since 7 February 2018[1])

Stephanie started as Chief Executive Officer (CEO) on 22 January 2018 and became member of the Management Board on 7 February 2018[1]. She has over 27 years international leadership experience in the financial services sector, including executive roles in fund and corporate services businesses at listed companies. Most recently, she was senior vice president and managing director, alternative assets, at SS&C Technologies, a global provider of investment and financial software-enabled services. Stephanie has previously held managing director positions at J.P. Morgan's fund administration business and Citco Fund Services. Stephanie holds a BA in Accounting and Management Information Systems from Queens College, City University of New York, USA.

1 Approval from shareholders for her appointment was given in the EGM held on 19 January 2018, full regulatory approval was obtained on 7 February 2018

Hans Turkesteen
(since 17 October 2018)

Hans has been Chief Financial Officer (CFO) ad interim since November 2017. He was appointed as CFO on 1 August 2018 and has been a member of the Management Board since 17 October 2018. He is a senior finance professional with over 25 years' experience in the professional services industry including roles at Arthur Andersen and Deloitte. More recently he served as CFO and member of the Management Board at listed Royal Imtech and before that at private equity-owned Stork. Hans is also a member of the Supervisory Board and Chairman of the Audit Committee at Erasmus Medical Center.

Henk Pieter van Asselt
(since 9 November 2017)

Henk Pieter is the Company's Chief Commercial Officer (CCO) and since 9 November 2017 also member of the Management Board, responsible for Global Sales and Marketing and Intertrust's four service lines.
He started his career in 1997 at ABN AMRO Bank, where he held legal, commercial and management positions in the Netherlands, Curaçao and USA. He joined the Company in 2005 and expanded operations in North America before moving to London to re-start the UK and Ireland offices. He was appointed Global Head of Business Development in 2008 and became member of the Executive Committee as Global Head of Sales one year later. Henk Pieter holds a Master's degree in Civil Law from the University of Amsterdam.
On 14 January 2019 Intertrust announced that Henk Pieter will step down as CCO and member of the Management Board as per the AGM of 16 May 2019.

Appointment, removal and suspension

The General Meeting appoints a member of the Management Board pursuant to and in accordance with a proposal of the Supervisory Board or upon a binding nomination drawn up by the Supervisory Board. A resolution of the General Meeting to appoint a member of the Management Board pursuant to and in accordance with a proposal of the Supervisory Board, can be adopted by an absolute majority of the votes cast irrespective of the capital present or represented at the relevant shareholders' meeting. The General Meeting can overrule a binding nomination of the Supervisory Board by a majority vote of at least two-thirds of the votes cast, provided such a majority represents at least one-third of the issued share capital.

If the General Meeting, with an absolute majority of the votes cast overrules the binding nomination, but this majority does not represent at least one-third of the issued share capital, then a new meeting may be convened in which the nomination can be overruled by an absolute majority of the votes cast irrespective of the capital present or represented at the meeting.

The Articles of Association provide that the General Meeting has the authority to suspend and dismiss a member of the Management Board. A resolution of the General Meeting to suspend or dismiss a member of the Management Board requires an absolute majority of the votes cast if the suspension or dismissal is proposed by the Supervisory Board. However, such resolution requires a majority of at least two-thirds of the votes cast, which majority must represent at least one-third of the issued share capital if the suspension or dismissal has not been proposed by the Supervisory Board. If the shareholders support the suspension or dismissal with an absolute majority of the votes cast, but such majority does not represent at least one-third of the issued capital, a new meeting may be convened at which the resolution may be passed with an absolute majority of the votes cast, irrespective of the part of the capital represented at the meeting.

Composition

Intertrust's Articles of Association stipulate that the Management Board must consist of two or more members, the number of which is to be determined by the Supervisory Board. Intertrust aims to have a balanced and diverse composition of its Management Board which is reviewed in more detail in this chapter under 'Diversity'. The diversity policy is available on Intertrust's website. https://www.intertrustgroup.com/investors.

Remuneration

Information on the remuneration of the members of the Management Board can be found in the Remuneration chapter on page 50 of this Annual Report.

Composition Management Board as of 31 December 2018

Name	Date of birth	Gender	Nationality	Position	Member since	Term until
Stephanie Miller	28 May 1968	Female	American	Chief Executive Officer	7 February 2018	4 years - 2022
Hans Turkesteen	3 November 1963	Male	Dutch	Chief Financial Officer	17 October 2018	4 years - 2023
Henk Pieter van Asselt	24 May 1970	Male	Dutch	Chief Commercial Officer	9 November 2017	Will resign per 16 May 2019
David de Buck	*16 January 1967*	*Male*	*Dutch*	*Chief Executive Officer*	*8 September 2014*	*Resigned per 8 February 2018*

Supervisory Board

Duties

The Supervisory Board is responsible for the supervision of the policy of the Management Board and the general course of affairs of Intertrust and the business affiliated with it. In performing its duties, the Supervisory Board is guided by the interests of Intertrust and the business affiliated with it, taking into consideration the relevant interests of all Intertrust's stakeholders. The Rules for the Supervisory Board (Supervisory Board Rules) describe the duties, tasks, composition, procedures, and decision-making of the Supervisory Board as well as its relations with the Management Board, the General Meeting and the Executive Committee. The Supervisory Board Rules are available on Intertrust's website: https://www.intertrustgroup.com/investors.

Appointment, removal and suspension

The General Meeting appoints a member of the Supervisory Board pursuant to and in accordance with a proposal of the Supervisory Board or upon a binding nomination drawn up by the Supervisory Board.

A resolution of the General Meeting to appoint a member of the Supervisory Board, in accordance with a proposal of the Supervisory Board, can be adopted by an absolute majority of the votes cast, irrespective of the capital present or represented at the relevant shareholders' meeting.

The General Meeting can overrule a binding nomination by the Supervisory Board by a majority vote of at least two-thirds of the votes cast, provided such majority represents at least one-third of the issued share capital. If the General Meeting, with an absolute majority of the votes cast overrules the binding nomination, but this majority does not represent at least one-third of the issued share capital, then a new meeting may be convened in which the nomination can be overruled by an absolute majority of the votes cast irrespective of the capital present or represented at the meeting.

Each member of the Supervisory Board shall be appointed for a maximum period of four years. A member's term of office shall lapse in accordance with the rotation schedule drawn up by the Supervisory Board. The rotation schedule is available on Intertrust's website: https://www.intertrustgroup.com/investors. A member of the Supervisory Board may be re-appointed once for another four-year period and thereafter be re-appointed again for a period of two years. In the event of a re-appointment after an eight-year period, the report of the Supervisory Board shall state the reasons for that.

The General Meeting has the authority to suspend and dismiss a member of the Supervisory Board. A resolution of the General Meeting to suspend or dismiss a member of the Supervisory Board requires an absolute majority of the votes cast if the *suspension or dismissal is proposed by the Supervisory Board*. However, such resolution of the General Meeting requires a majority of at least two-thirds of the votes cast, which majority must represent at least one-third of the issued share capital if the suspension or dismissal has not been proposed by the Supervisory Board.

Composition

The Supervisory Board must consist of a minimum of three members and a maximum of seven members, the number of which is to be determined by the Supervisory Board. The profile

Composition Supervisory Board

Name	Date of birth	Gender	Nationality	Position	Member since	Maximum term - rotation schedule
Hélène Vletter-van Dort	15 October 1964	Female	Dutch	Chairperson of the Supervisory Board	21 August 2015	4 years - 2019
Lionel Assant	22 May 1972	Male	French	Member of the Supervisory Board	21 August 2015	4 years - 2022 - reappointed in 2018
Toine van Laack	4 April 1963	Male	Dutch	Member of the Supervisory Board	16 May 2017	4 years - 2021
Anthony Ruys	20 July 1947	Male	Dutch	Member of the Supervisory Board	21 August 2015	4 years - 2019
Charlotte Lambkin	1 February 1972	Female	British	Member of the Supervisory Board	17 October 2017	4 years - 2021
Paul Willing	17 December 1965	Male	British	Member of the Supervisory Board	17 October 2017	4 years - 2021

of the Supervisory Board is available on Intertrust's website, https://www.intertrustgroup.com/investors. Intertrust aims to have a balanced and diverse composition of its Supervisory Board, which is reviewed in more detail in this chapter under 'Diversity'. The diversity policy is available on Intertrust's website, www.intertrustgroup.com/investors.

In 2018, the Supervisory Board consisted of six members. One of its members was appointed upon nomination of Blackstone in accordance with the Relationship Agreement. This Supervisory Board member is therefore deemed not to be independent within the meaning of best practice provision 2.1.8 section vii of the Corporate Governance Code. As the former CEO of Elian, the business Intertrust acquired in 2016, Paul Willing is not considered independent within the meaning of best practice provision 2.1.8 section i of the Corporate Governance Code. To date, the total number of non-independent members on the Supervisory Board therefore remains two. In addition, the Supervisory Board consisted of four independent members and one of these independent members has been appointed as Chairperson.

On 2 May 2018 and 24 September 2018, Blackstone placed respectively 7.5 million and 7.7 million of its Intertrust shares with institutional investors via an accelerated book build, thereby increasing Intertrust's free float and decreasing Blackstone's shareholding from 23.39% to ultimately 6.87%. On 25 September 2018, Intertrust completed the process to cancel 2,244,190 repurchased shares as a result of which Blackstone's shareholding increased to 7.04%.

Pursuant to the Relationship Agreement, Blackstone's right to nominate and propose replacement for its Supervisory Board member will lapse if the percentage of shares held by Blackstone falls below 10%. The reduction of Blackstone's shareholding below the threshold percentage of 10% implies that Intertrust is entitled to request the Blackstone nominated Supervisory Board member to resign.

As at 31 December 2018, the Supervisory Board consisted of the following persons:

Hélène Vletter-van Dort is a professor of (European) Financial Law & Governance at the Erasmus School of Law of the University of Rotterdam. She is the author of numerous books and articles on Financial Law and Corporate Governance. Her PhD research focused on the equal treatment of shareholders of listed companies when distributing price sensitive information. Hélène started her career in 1988 as an M&A lawyer at Clifford Chance in Amsterdam. Between 2004 and 2008 she served as a judge at the Enterprise Chamber of the Court of Appeal of Amsterdam. Hélène has held non-executive board positions with a variety of financial institutions, including Fortis Bank Netherlands and the Dutch Central Bank. From 2009 to 2018 she has been a member of the Dutch Monitoring Committee on Corporate Governance, appointed by the Dutch government. In October 2015, she was appointed to the Supervisory Board of NN Group, where she also serves as chair of the Nomination & Governance Committee. In August 2017, she was appointed as non-executive director in the Board of Barclays Bank PLC and chair of the Remuneration Committee, and she was recently appointed as Chair of the protective foundation of Koninklijke Brill.

Lionel Assant is a Senior Managing Director and European Head of Private Equity for the Blackstone Group, based in London. Since joining the Blackstone Group in 2003, Lionel has been involved in various European investments and investment opportunities. Before joining the Blackstone Group, Lionel was an Executive Director at Goldman Sachs where he worked for seven years in the Mergers & Acquisitions, Asset Management and Private Equity divisions. He graduated from the Ecole Polytechnique with a Master's degree in Economics. He serves as a Director of Tangerine, Armacell, Rhodia Acetow, Clarion Events, Schenck Process and Cirsa. Lionel served on the boards of Gerresheimer, Kloeckner Pentaplast, Mivisa, United Biscuits and Alliance Automotive Group. He is also a Trustee of Impetus-PEF, a charitable foundation which provides resources to improve the lives of children and young people living in poverty.

Toine van Laack is a Registered Accountant with extensive international experience in the finance and accounting sector. He spent 25 years at EY where he held several senior positions, including Senior Audit Partner, Managing Partner for Transaction Advisory Services and Managing Partner Markets. More recently, he was Managing Director of Janivo Holding B.V., an investment company and family office based in Zeist, the Netherlands. He has also held supervisory positions on various boards including TomTom N.V., LBI N.V. and Nidera Capital B.V. Earlier in his career at EY, Toine spent several years working in Asia, including Singapore and Indonesia. Toine also serves as non-executive director at Vroon Shipping B.V., an international shipping company with headquarters in the Netherlands, as non-executive chairman of Favorita Holdings Ltd, an investment holding company in Malta, and was recently appointed as non-executive director at EMS, a payment solutions company. He holds a Registered Accounting degree from NBA and also completed the Harvard Advanced Management Program.

Anthony Ruys is the former Chairman of the Executive Board of Heineken N.V. He holds a degree in commercial law from the University of Utrecht and a Master's degree from Harvard Business School. He was appointed an Officer of the Order of

Orange-Nassau by the Dutch government in 2005. Thony commenced his career at Unilever in 1974. During his tenure at Unilever, he served at various senior positions, including that of Marketing Director and Chairman of various subsidiary companies in the Netherlands, Colombia and Italy. In 1993, he joined Heineken as a member of its Executive Board, became Vice Chairman in 1996 and Chairman in 2002 and remained in that position until 2005. Thony has served as a Non-Executive Chairman of the Board of the Schiphol Group until April 2015, and he has served as a non-executive board member of ABN AMRO N.V., BAT plc (UK), ITC plc (India), Lottomatica Spa (Italy) and Janivo Holding B.V. Currently, Thony holds a non-executive position at Stichting Beelden aan Zee. In January 2017, Thony was appointed as member of the Board of Directors of HunterDouglas Group.

Charlotte Lambkin is an experienced member of FTSE 100 executive committees and a seasoned corporate affairs and communications professional. She is also a member of Edelman's UK Advisory Board and a consultant to their corporate affairs practice. Edelman is one of the world's largest marketing communications firms. Most recently, she served as Executive Committee member and Corporate Relations Director at Diageo, the UK headquartered FTSE 10 listed global alcoholic beverages company. Prior to that, she spent 10 years at BAE Systems, a UK-headquartered FTSE 30 listed defence, aerospace and security solutions company, as Executive Committee member and Group Communications Director. Charlotte started her career in a communications consultancy, advising boards of large multi-nationals. She is a graduate in History from Bristol University.

Paul Willing is the former CEO of Elian, having held that position from 2009 until the acquisition of Elian by Intertrust in 2016. After joining Intertrust as a result of that acquisition, he became Managing Director Atlantic Region for the combined organisation, until he stepped down from his executive responsibilities in July 2017. He has over 25 years of financial services experience, with an extensive career at PwC in both Jersey and Geneva. He is a graduate of the University of London and qualified as a chartered accountant in 1991. Paul is resident in Jersey and holds several non-executive Director positions at fund groups.

Remuneration

Information on the remuneration of the members of the Supervisory Board can be found in the Remuneration chapter on page 50 of this Annual Report.

Committees of the Supervisory Board

General

The Supervisory Board has established two committees from among its members: the Audit and Risk Committee and the Remuneration, Selection and Appointment Committee. The function of these committees is to prepare the discussion and decision-making undertaken by the Supervisory Board. The organisation, duties and working methods of the committees of the Supervisory Board are detailed in a separate charter for each committee which charters are available on Intertrust's website: https://www.intertrustgroup.com/investors

Audit and Risk Committee

The Audit and Risk Committee assists the Supervisory Board in fulfilling its oversight responsibilities with regard to, amongst others, the integrity and quality of Intertrust's financial statements, the financial reporting process, the effectiveness of Intertrust's internal risk management and control systems, the internal and external audit process, as well as Intertrust's process for monitoring compliance with applicable laws and regulations, the Corporate Governance Code and Intertrust's Code of Conduct.

The Audit and Risk Committee consists of three members. As at 31 December 2018, these were: Toine van Laack (Chairperson), Lionel Assant and Hélène Vletter-van Dort. Further details on the Audit and Risk Committee are given in the Report from the Supervisory Board on page 44 of this Annual Report.

Remuneration, Selection and Appointment Committee

The Remuneration, Selection and Appointment Committee advises the Supervisory Board on the remuneration of the individual members of the Management Board and monitors the remuneration policy. Its responsibilities include, amongst others, setting remuneration policy and compensation standards, preparing proposals concerning the individual remuneration of the members of the Management Board, monitoring incentive and equity-based compensation plans. Furthermore, the Remuneration, Selection and Appointment Committee is responsible for the selection and appointment procedure of members of the Management Board and of the Supervisory Board. It meets at least two times a year.

The Remuneration, Selection and Appointment Committee consists of three members. As at 31 December 2018, these were: Anthony Ruys (Chairperson), Charlotte Lambkin and Hélène Vletter-van Dort. Further details on the Remuneration, Selection and Appointment Committee are given in the Report from the Supervisory Board on page 44 of this Annual Report.

Diversity

Diversity is taken seriously in connection with the appointment, or nomination for the appointment, of members of the Management Board and drafting the criteria for the size and composition of the Supervisory Board, as well as the designation, appointment, recommendation and nomination for appointment of members of the Supervisory Board. Intertrust strives for a diverse and balanced composition of both the Management Board and the Supervisory Board in terms of gender, nationality, age, education, experience and expertise.

Pursuant to Article 2 166 of the Dutch Civil Code, large public companies must strive for a balanced distribution of seats on their boards between men and women. Such balanced distribution entails that at least 30% of the seats on the Management Board and the Supervisory Board are held by women and at least 30% by men. With the appointment of Stephanie Miller as CEO and member of the Management Board early 2018, Intertrust has successfully established a distribution of seats in accordance with the above. For the Supervisory Board the gender balance requirement was met as well during 2018.

Executive Committee

Roles and duties

To create a well-balanced division of functional and jurisdictional responsibilities, Intertrust has opted for the installation of an Executive Committee. The Executive Committee is entrusted with the day-to-day management of Intertrust in particular with respect to setting, implementing and achieving Intertrust's strategic, operational and financial objectives. The Executive Committee is furthermore actively involved in all important topics related to, amongst others, integration, innovation, culture, leadership and CSR. In the performance of its responsibilities, the Executive Committee must carefully consider and act in accordance with the interests of Intertrust and the business connected with it, taking into consideration the interests of all Intertrust's stakeholders.

The Rules for the Executive Committee (Executive Committee Rules) include, amongst others, the role, duty and composition of the Executive Committee as well as how the contacts between the Supervisory Board and the Executive Committee have been given shape. Members of the Executive Committee will attend meetings of the Supervisory Board if so requested by the Supervisory Board and shall provide the Supervisory Board with such information to properly perform its duties, through the Management Board. The Executive Committee Rules are available on Intertrust's website: https://www.intertrustgroup.com/investors

Composition, appointment and removal

Members of the Executive Committee, not being the members of the Management Board, are appointed, suspended and dismissed by the CEO, after consultation with the Supervisory Board. In 2018, the Executive Committee consisted of (i) the members of the Management Board, (ii) the Chief Human Resource Officer (CHRO), (iii) the Chief Operating Officer (COO), (iv) the Head of Strategy and M&A, and (v) the managing directors of Intertrust Americas, Intertrust Netherlands, Intertrust Luxembourg, Intertrust Jersey, and Intertrust Rest of the World.

A number of changes in the membership of the Executive Committee took place during the year

Sara Jonker-Douwes joined Intertrust as Managing Director Intertrust Netherlands and member of the Executive Committee per 1 January 2018, succeeding Dick Niezing.

Daniel Jaffe, Managing Director of Rest of World, was appointed to the Executive Committee to represent the other offices across Europe, Asia and Middle-East, effective 1 January 2018.

Stephanie Miller became CEO and member of the Executive Committee as successor to David de Buck, effective 22 January 2018.

James Ferguson joined Intertrust as Managing Director Americas and member of the Executive Committee, effective 5 March 2018.

Theo Splinter joined Intertrust and the Executive Committee as Chief Operating Officer (COO), effective 1 June 2018

James Nolan joined Intertrust and the Executive Committee as Head of Strategy and M&A, effective 15 June 2018.

Roberto Canenti joined Intertrust and member of the Executive Committee as successor to Johan Dejans, effective 18 June 2018.

Colin MacKay, regional director Caribbean, responsible for Bahamas, BVI, Cayman and Curaçao, stepped down, effective 1 July 2018.

Information in respect of the members of the Executive Committee who are also members of the Management Board, Stephanie Miller, Hans Turkesteen and Henk Pieter van Asselt, can be found under 'Management Board - Composition' on page 56 of this chapter.

As at 31 December 2018, the Executive Committee consisted of the Management Board members and the following additional members

Composition Executive Committee

Name	Date of birth	Gender	Nationality	Resigned from Executive Committee	Position
Stephanie Miller	28 May 1968	Female	American		Chief Executive Officer
Hans Turkesteen	3 November 1963	Male	Dutch		Chief Financial Officer
Henk Pieter van Asselt	24 May 1970	Male	Dutch		Chief Commercial Officer
Sara Douwes	5 June 1978	Female	Dutch	1 February 2019	MD Netherlands
Frank Welman	21 September 1963	Male	Dutch		MD Luxembourg
Simon Mackenzie	13 May 1972	Male	British	14 January 2019	MD Jersey
James Ferguson	13 June 1966	Male	American		MD Americas
Daniel Jaffe	19 Augustus 1975	Male	British		MD Rest of the World
Roberto Canenti	12 July 1971	Male	British		Chief Human Resource Officer
Theo Splinter	1 June 1971	Male	Dutch		Chief Operating Officer
James Nolan	28 March 1960	Male	Irish		Head of Strategy and M&A

Roberto Canenti

Roberto joined Intertrust in June 2018 as Chief Human Resources Officer (CHRO) and Executive Committee member, based in Amsterdam. Roberto has more than 20 years' HR specific experience and most recently worked for Virtu Financial (previously KCG), where he was Head of HR Europe and Asia since early 2015. Prior to this, he was with Barclays for over ten years where he held various global executive HR roles. Roberto, a British national, graduated with a BA in Politics from the University of Exeter.

Theo Splinter

Theo joined Intertrust in June 2018 as Chief Operating Officer (COO) and member of the Executive Committee. In this new role he has global responsibility for operations, IT, change management and procurement within the Group. Theo has more than 20 years of experience and joined Intertrust from BNP Paribas, where he was COO of Alternatives and COO of Security Services in Luxembourg and its European centers of excellence. Prior to joining BNP Paribas in 2015, Theo spent five years at Credit Suisse, including as Managing Director Credit Suisse Prime Services and COO of Hedge Fund Services. Theo started his career at Citco Fund Services, where he held several executive roles.

James Nolan

James joined Intertrust in June 2018 as Head of Strategy and M&A and member of the Executive Committee, based in Amsterdam. In this new role he is responsible for co-leading the Group's strategic agenda, including M&A. James is an experienced senior executive professional who led the M&A transformation at Royal Philips for 15 years and more recently was Head of M&A at Veon. James is qualified as a lawyer in the UK and has an MBA from INSEAD. James, an Irish national, also holds various non-executive board positions, including Chairman of the Supervisory Board at Vlisco.

Simon Mackenzie

Simon is Managing Director of Intertrust Jersey and member of the Executive Committee. Until Elian was acquired by Intertrust in 2016, Simon was Group Director and global Head of Corporate Services with global responsibility for the growth and development of Elian's corporate services businesses in Jersey, Guernsey, Luxembourg, London, BVI, Cayman and Hong Kong. He was previously a Partner in the Ogier Group. Simon has significant fund administration experience including board positions on mezzanine, private equity and real estate fund managers and general partnerships. He also has extensive experience acting as a director in various sectors. Simon graduated in 1992 from Dundee University as a Bachelor of Law (LLB). He is a member of the Society of Trust and Estate Practitioners (STEP) and holds the STEP Diploma in International Trust Management with distinction (2002). He is also a member of the Institute of Directors.
Simon stepped down from the Executive Committee, effective 14 January 2019.

Daniel Jaffe

Daniel is Managing Director Rest of the World, and joined Intertrust's Executive Committee per 1 January 2018. Previously, Daniel worked in London as Relationship Banker for a major European Bank, ultimately also spending time in the USA as Vice President for their West Coast operations specialising in Infrastructure, Retail and Service clients. In 2009 he joined Intertrust UK as Commercial Director and became Managing Director in 2012, after which he moved to Singapore in 2015 to become Managing Director there. In 2017 he returned to the UK to take on his current role. Daniel's knowledge and experience during his career entails working with Corporates, Private Equity, Venture Capital, Pension Funds and Private Clients During his time in both San Francisco and London Daniel has specialised in European & Transatlantic M&A as well as structuring and corporate planning. Daniel holds a Bachelor of Arts (Honors) in French and Business studies from The Manchester Metropolitan University and is also a Member of Chartered Institute of Bankers in Scotland.

James Ferguson

James joined Intertrust in March 2018 as Head of Americas and member of the Executive Committee. Based in New York, James is responsible for the six offices in the US, as well as the offices in Bahamas, Brazil, the British Virgin Islands, Canada, Curacao, and the key office in the Cayman Islands. James has over 20 years of experience in corporate and fund services, including several senior executive leadership roles. James most recently worked for US Bank, where he was Global Head of Strategy and Product Development of US Bank's Wealth Management & Investment Services division. Prior to US Bank, James spent 17 years at J.P. Morgan as Global Head of Alternative Investment Services. James holds a Bachelor of Arts in Political Science and Legal Studies, and a Bachelor of Law degree.

Sara Jonker-Douwes

Sara has a strong track record in the trust, corporate and fund services industry. Before joining Intertrust, Sara headed the Netherlands office of Link Group, formerly known as Capita Asset Services, where she was responsible for Capita's corporate services in continental Europe since 2015, managing various integration and transformational programs. Earlier in her career, Sara held various prominent positions at SGG Group, ING Trust, ING Investment Management and Orangefield. Sara holds a Master's degree in International Business Law from the University of Amsterdam, The Netherlands. On 14 January 2019 Intertrust announced Sara will step down as Managing Director Intertrust Netherlands, effective 1 February 2019.

Frank Welman

Frank is the Managing Director of Intertrust Luxembourg and member of the Executive Committee, having re-joined Intertrust in 2015. Previously, Frank held various management positions within the trust, corporate and fund services industry. From 2005 to 2015, he held senior roles at TMF Group, including Head of Benelux, Global Head of International Structuring, Managing Director of the Luxembourg office and member of the Executive Committee. Prior to that, Frank was responsible for a number of MeesPierson Trust subsidiaries. Frank holds a Master's degree in Dutch tax law from the University of Leiden, the Netherlands.

General Meeting

Frequency, notice and agenda

The Annual General Meeting must be held within six months after the end of each financial year. An Extraordinary General Meeting may be convened by the Supervisory Board or the Management Board, whenever Intertrust's interests so require Shareholders individually or in aggregate representing at least one-tenth of the issued and outstanding share capital may, pursuant to the Dutch Civil Code, request that a General Meeting be convened If no General Meeting has been held within eight weeks of the shareholders making such request, they may be authorised upon request by a District Court in summary proceedings to convene a General Meeting.

Notice of a General Meeting must be given at least 42 days prior to the day of the meeting as required by Dutch law. The notice convening any General Meeting must include, among other items, an agenda indicating the place and date of the meeting, the items for discussion and voting, the proceedings for registration including the registration date, as well as any proposals for the agenda. Shareholders holding at least 3% of the issued and outstanding share capital may request that an item be added to the agenda. Such requests must be made in writing, must either be substantiated or include a proposal for a resolution, and must be received by Intertrust at least 60 days before the day of the General Meeting.

Admission to General Meetings

The General Meeting is chaired by the Chairperson of the Supervisory Board. Members of the Management Board and of the Supervisory Board shall have the right to attend the General Meeting in such capacity. In these General Meetings, they have an advisory vote. The Chairperson of the General Meeting may decide at his or her discretion to admit other persons to the General Meeting.

Each shareholder, as well as other persons with voting rights or meeting rights, may attend the General Meeting, address the General Meeting and, in so far as they have such right, to exercise voting rights *pro rata* to its shareholding, either in person or by proxy. Shareholders may exercise these rights, if they are the holders of shares on the registration date, which is currently the 28th day before the day of the meeting, and they or their proxy have notified Intertrust of their intention to attend the meeting in writing at the address and by the date specified in the notice of the meeting.

Voting and resolutions

Each shareholder may cast one vote for each share held. Pursuant to Dutch law, no votes may be cast at a General Meeting in respect of shares which are held by Intertrust. Resolutions of the General Meeting are taken by an absolute majority, except where Dutch law or the Articles of Association provide for a qualified majority.

Powers of the General Meeting

The most important powers of the General Meeting are to.

- Authorise the Management Board to issue shares, to restrict or exclude the pre-emptive rights of shareholders and to repurchase shares
- Appoint members of the Management Board upon a proposal of the Supervisory Board or upon a nomination of the Supervisory Board
- Suspend or dismiss members of the Management Board
- Appoint members of the Supervisory Board upon a proposal of the Supervisory Board or upon a nomination of the Supervisory Board
- Suspend or dismiss members of the Supervisory Board
- Adopt the annual accounts of Intertrust
- Adopt the remuneration policy for the members of the Management Board
- Resolve on the reservation or distribution of the profits upon a proposal of the Management Board that has been approved by the Supervisory Board
- Amend the Articles of Association of Intertrust upon a proposal of the Management Board that has been approved by the Supervisory Board

General Meetings held in 2018

In 2018, a total of three General Meetings were held as follows.

1. On 19 January 2018, Intertrust held an Extraordinary General Meeting at which the appointment of Stephanie Miller as CEO and member of the Management Board were approved.

2. On 17 May 2018, Intertrust held its Annual General Meeting at which, inter alia, the following resolutions were adopted.

- Adoption of Intertrust's Annual Accounts 2017
- Discharge of the members of the Management Board for their functioning throughout financial year 2017
- Discharge of the members of the Supervisory Board for their functioning throughout financial year 2017
- Appointment of KPMG as the External Auditor for the financial statements for 2018
- Approval to cancel repurchased shares
- Re-appointment of Lionel Assant as member of the Supervisory Board

3. On 17 October 2018, Intertrust held an Extraordinary General Meeting at which meeting the following resolution was adopted

- Appointment of Hans Turkesteen as member of the Management Board

Share Capital

Issuance of shares

The authorised share capital of Intertrust consists of ordinary shares only. The General Meeting may resolve to issue shares in the share capital of Intertrust, or grant rights to subscribe for shares, upon a proposal by the Management Board that has been approved by the Supervisory Board

The Articles of Association provide that the General Meeting may delegate the authority to issue shares, or grant rights to subscribe for such shares, to the Management Board, pursuant to and in accordance with a proposal thereto of the Management Board, which has been approved by the Supervisory Board. At the designation, the number of shares which may be issued by the Management Board must be determined. No resolution of the General Meeting or the Management Board is required for an issue of shares pursuant to the exercise of a previously granted right to subscribe for shares

On 17 May 2018, the Annual General Meeting extended the authority of the Management Board to resolve to issue shares and grant rights to subscribe for shares, subject to the approval of the Supervisory Board and for a period of 18 months, until 17 November 2019. The authority of the Management Board is limited to a maximum of 10% of the number of issued shares at the time of issue or grant, plus an additional 10% of the outstanding share capital, at the time of issue or at the time of granting the right to subscribe for shares, if the issue or the granting of the right to subscribe takes place in view of a merger or an acquisition.

As per 31 December 2018, the issued share capital amounted to EUR 53,853,121.20, divided into 89,755,202 shares with a nominal value of EUR 0.60 each of which 523,354 shares were held by Intertrust on its custody account.

Pre-emptive rights

Each shareholder has a pre-emptive right to subscribe on a *pro rata* basis for any issue of new shares or upon a grant of rights to subscribe for shares Exceptions to these pre-emptive rights include the issue of shares and the grant of rights to subscribe for shares (i) to Intertrust's employees, (ii) in return for non-cash consideration; or (iii) to persons exercising a previously granted right to subscribe for shares.

On 17 May 2018, the Annual General Meeting extended the authority of the Management Board as the competent corporate body to limit or exclude the pre-emptive rights in respect of the issue of shares or the granting of rights to subscribe for shares pursuant to the authorisation given above

Acquisition of own shares

Intertrust may acquire fully paid-up shares in its own capital for consideration, subject to the authorisation by the General Meeting and subject to Dutch law, and after prior approval of the Supervisory Board. The authorisation is not required for shares quoted in the listing of any stock exchange in order to transfer them to employees of Intertrust or of a Group company pursuant to a scheme applicable to such employees. Intertrust is not entitled to any distributions from shares in its own capital. No vote may be cast at the General Meeting for shares held by Intertrust or by a subsidiary.

At the Annual General Meeting of Intertrust of 17 May 2018, the authority granted to the Management Board to repurchase shares in the share capital of Intertrust up to a maximum of 10% of the issued share capital was extended for a period of 18 months, until 17 November 2019.

On 31 May 2018, Intertrust completed a programme commenced in 2017 to repurchase ordinary shares in its capital. Under the programme a total of 3,132,378 shares were repurchased. On 17 May 2018, the General Meeting granted the approval for the cancellation of the repurchased shares, with the exception of maximum 850,000 shares to be used for employee stock ownership and incentive plans vesting in 2018 and 2019 On 25 September 2018, the cancellation of 2,244,190 shares was completed.

Transfer of shares and transfer restrictions

The transfer of shares in the share capital of Intertrust included in the Statutory Giro System must take place in accordance with the provisions of the Dutch Securities Giro Act (*Wet giraal effectenverkeer*). The Articles of Association of Intertrust do not restrict the transfer of shares in the share capital of Intertrust.

Intertrust is not aware of the existence of any agreement pursuant to which the transfer of shares in the share capital of Intertrust is restricted. The shares awarded to the members of the Management Board under Intertrust's Long Term Incentive Plan (LTIP) shall be held for at least five years after they are awarded as prescribed by the Corporate Governance Code

Articles of Association

The General Meeting can only resolve to amend the Articles of Association on proposal of the Management Board, which proposal has been approved by the Supervisory Board.

External auditor

The External Auditor is appointed by the General Meeting At the Annual General Meeting held on 17 May 2018, the General Meeting appointed KPMG Accountants N V as the external auditor for the financial year 2018. The External Auditor may be questioned at the Annual General Meeting in relation to its audit opinion on the financial statements The External Auditor will therefore attend and be entitled to address this meeting

Financial reporting

A description of the most important characteristics of the management- and control systems of Intertrust with respect to the financial reporting process of Intertrust and its Group companies of which the financials are consolidated can be found in the chapter Compliance and Risk Management.

Dutch Corporate Governance Code

Intertrust is subject to the Corporate Governance Code. The Corporate Governance Code is based on a 'comply or explain' principle. Accordingly, companies are required to disclose in their annual report whether or not they comply with the various principles and best practice provisions that are addressed to the Management Board and the Supervisory Board and provide a substantive and transparent explanation for any departures from the principles and best practice provisions.

Considering Intertrust's interests and the interest of its stakeholders, Intertrust deviates from a limited number of principles and best practice provisions, which are described as follows

Best practice provision 2.3.2 (establishment of committees)
Intertrust does not comply with best practice provision 2.3.2, which provides that if the supervisory board consists of more than four members, it shall appoint an audit committee, a remuneration committee and a selection and appointment committee. For efficiency purposes, the Supervisory Board has *combined the functions and responsibilities of the remuneration* committee and the selection and appointment committee in one committee, the Remuneration, Selection and Appointment Committee.

Best practice provision 4.3.3 (cancelling the binding nature of a nomination or dismissal)
Intertrust does not comply with best practice provision 4 3.3, which provides that the general meeting of shareholders of a company may pass a resolution to cancel the binding nature of a nomination for the appointment of a member of the management board or of the supervisory board and/or a resolution to dismiss a member of the management board or of the supervisory board by an absolute majority of the votes cast. It may be provided that this majority should represent a given proportion of the issued capital, which proportion may not exceed one-third. Pursuant to the Articles of Association, the General Meeting may only overrule the binding nature of such *nominations by resolution of the General Meeting adopted* with a two-thirds majority of the votes cast, representing at least one-third of the issued share capital. If the shareholders support overruling the binding nature of the nomination with an absolute majority of the votes cast, but such majority does not represent at least one-third of the issued capital, a new meeting may be convened at which the resolution may be passed with an absolute majority of the votes cast, irrespective of the part of the capital represented at such meeting. A similar provision is included in the Articles of Association regarding the removal of members of the management board and supervisory board. These provisions are stricter than best practice provision 4.3.3. Intertrust believes this to be justified in the interest of the continuity of Intertrust and its group companies.

Corporate governance statement

This chapter, including parts of this Annual Report incorporated by reference, also serves as the corporate governance statement referred to in section 2a of the Management Report Decree (*Vaststellingsbesluit nadere voorschriften bestuursverslag*)

Legal transparency obligations

This section includes an overview which sets out where the information that is required to be disclosed under Article 1 of the Decree on Article 10 of the Takeover Directive can be found.

Capital Structure

Information on the capital structure of Intertrust, the shares and the rights attached thereto is provided in the Shares chapter of this Annual Report and in this Corporate Governance chapter.

Limitations on transferability of shares

There are no limitations on the transferability of Intertrust's shares. See also the paragraph 'Transfer of shares and transfer restrictions' in this Corporate Governance chapter.

Major shareholders

Shareholders are obliged to give notice of interests exceeding certain thresholds to the Netherlands Authority for the Financial Markets (AFM).

As per 31 December 2018, the following parties had made a notification to the AFM with respect to their shareholding in Intertrust. Actual percentage may differ slightly.

Shareholder	Capital interest[1]	Date of Notification
12 West Capital Management LP	7.07%	10 June 2016
The Blackstone Group LP	7 04%	24 September 2018
Norges Bank	3 68%	25 September 2018
Investec Asset Management	3.44%	3 October 2018
FMR LLC	3 10%	26 October 2018
Portland Hill Asset Management Ltd	3 09%	22 January 2018
Lucerne Capital Management LLC	3,09%	3 Augustus 2018
Schroders Plc	3.01%	8 October 2018

1 As of 31 December 2018 and according to the AFM registers there were no open short positions in Intertrust shares

More information can be found in the Shares and shareholders chapter (see page 35) of this Annual Report

Special rights of control

Intertrust has not issued shares to which special rights of control are attached.

Control mechanisms relating to employee participation plans

Under the LTIP the voting rights on the shares can only be exercised after the shares awarded have vested.

Voting limitations

There are no limitations on the voting rights attached to the shares in Intertrust.

Lock-up agreements

This information is included in the paragraph 'Transfer of shares and transfer restrictions' in this Corporate Governance chapter

Diversity

In 2017, the Supervisory Board adopted a Diversity Policy which is available on Intertrust's website. https://www.intertrustgroup.com/investors.

For Intertrust, diversity means a workforce reflective of different genders, nationalities, cultures, generations, ethnic groups, abilities, education and social backgrounds. Intertrust does not discriminate on the basis of age, skin colour, disability, gender, marital status, nationality, race, religion, sexual orientation or other ethnic or cultural aspects.

Intertrust attaches great value to diversity within its main corporate bodies and senior leadership Intertrust believes that diversity in its broadest meaning makes the organisation stronger and more sustainable. Diversity is critical to the ability to be open to different ways of thinking and acting enhancing long-term sustainability. Intertrust will continue to strive for an adequate and balanced composition of the Management Board, the Supervisory Board and the Executive Committee (the Boards) in future appointments, by taking into account all relevant selection criteria

Intertrust applies the following principles to the composition of its Boards:

1. To maintain the number of women on the Boards, whereby the preferred composition includes at least 30% female members and at least 30% male members
2. To create a diverse mix of knowledge, skills and expertise, in line with the required profiles.
3. To strive for sufficient complementarity, pluralism and diversity with regard to age, gender and background.
4. To ensure relevant professional and educational backgrounds within the Boards, including among other things
   - Financial expertise
   - Relevant industry knowledge
   - International experience
   - Risk management experience
   - Experience in the planning and implementation of company strategies,
   - Knowledge of IT
   - Governance and leadership experience

With the appointment of Stephanie Miller as CEO and member of the Management Board effective 7 February 2018, the Management Board reached a desired balanced composition as referred to under (1) above In 2018, the gender balance for the Supervisory Board referred to under (1) above was met. The Executive Committee was composed of two female members in 2018 and therefore has not reached a balanced distribution of seats in 2018. In 2019, Intertrust will continue to strive to add female members to the Executive Committee should a vacancy arise. Intertrust wishes to recruit the best candidate for the job with a preference for a female candidate in case of equal capabilities.

Intertrust believes that the diversity pillars as referred to under (2)-(4) are sufficiently represented in its Boards as further described in the Management Board, Supervisory Board and Executive Committee paragraph of this Corporate Governance chapter.

Provisions regarding the appointment and dismissal of members of the Management Board and Supervisory Board

This information is included in the subparagraphs "Appointment, removal and suspension" of the sections Management Board *(see page 56)* and *Supervisory Board (see page 59)* respectively of this Corporate Governance chapter.

Authority of the Management Board to issue and repurchase shares

Information on the authority of the Management Board to issue and repurchase shares is included in the subparagraphs "Issuance of shares" and "Acquisition of own shares" in the Share Capital section (see page 67) of this Corporate Governance chapter

Change of control

A change of control provision is included in the refinancing documentation of Intertrust and in the Management Agreement of Henk Pieter van Asselt.

Severance payments

The agreements of the members of the Management Board provide for severance payments in the event of a termination other than for urgent cause.

Consolidated Financial Statements

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Consolidated statement of profit or loss

(EUR 000)	Note	2018	2017
Revenue	5	496,056	485,216
Staff expenses	6	(223,559)	(214,501)
Rental expenses		(24,309)	(24,155)
Other operating expenses	8	(65,179)	(61,950)
Other operating income		51	219
Depreciation and amortisation of other intangible assets	17	(11,096)	(11,019)
Amortisation of acquisition-related intangible assets	17	(41,309)	(41,029)
Profit/(loss) from operating activities		**130,655**	**132,781**
Finance income		387	2,193
Finance expense		(33,321)	(28,089)
Financial result	22	**(32,934)**	**(25,896)**
Share of profit and result of transactions with equity-accounted investees and subsidiaries (net of tax)	18	78	689
Profit before income tax		**97,799**	**107,574**
Income tax	26	(8,408)	(18,893)
Profit for the year after tax		**89,391**	**88,681**
Profit for the year after tax attributable to			
Owners of the Company		89,362	88,324
Non-controlling interests		29	357
Profit for the year		**89,391**	**88,681**
Basic earnings per share (EUR)	9	1.00	0.97
Diluted earnings per share (EUR)	9	0.99	0.94

Consolidated statement of comprehensive income

(EUR 000)	Note	2018	2017
Profit for the year after tax		**89,391**	**88,681**
Actuarial gains and losses on defined benefit plans	28	843	(245)
Income tax on actuarial gains and losses on defined benefit plans		154	-
Items that will never be reclassified to profit or loss		**997**	**(245)**
Foreign currency translation differences – foreign operations		11,595	(49,072)
Net movement on cash flow hedges in other comprehensive income	21	(525)	1,040
Income tax on net movement on cash flow hedges in other comprehensive income	26	132	(261)
Items that are or may be reclassified to profit or loss		**11,202**	**(48,293)**
Other comprehensive income/(loss) for the year, net of tax		**12,199**	**(48,538)**
Total comprehensive income for the year		**101,590**	**40,143**
Total comprehensive income/(loss) for the year attributable to:			
Owners of the Company		101,558	39,794
Non-controlling interests		32	349
Total comprehensive income for the year		**101,590**	**40,143**

The Notes on pages 78 to 133 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

(EUR 000)	Note	31.12.2018	31.12.2017
Assets			
Property, plant and equipment	15	14,580	16,470
Other intangible assets	16	15,289	14,849
Acquisition-related intangible assets	16	1 451,836	1,474,188
Investments in equity-accounted investees	18	149	196
Other non-current financial assets	21	2,404	3,368
Deferred tax assets	27	2,159	1,357
Non-current assets		**1,486,417**	**1,510,428**
Trade receivables	11	90,478	103,103
Other receivables	13	18,422	18,937
Work in progress	10	34,228	33,078
Current tax assets		4,836	614
Other current financial assets	21	521	857
Prepayments		8,233	9,058
Cash and cash equivalents	19	127,803	66,620
Current assets		**284,521**	**232,267**
Total assets		**1,770,938**	**1,742,695**
Equity			
Share capital		53 853	55,200
Share premium		630 441	630,441
Reserves		(39 294)	(56,308)
Retained earnings		73,546	75,585
Equity attributable to owners of the Company		718,546	704,918
Non-controlling interests	25	257	225
Total equity	24	**718,803**	**705,143**
Liabilities			
Loans and borrowings	20	774,927	770,367
Other non-current financial liabilities	21	3,664	2,216
Employee benefits liabilities	28	929	1,963
Deferred income	12	5,362	5,750
Provisions	29	699	579
Deferred tax liabilities	27	69,330	80,405
Non-current liabilities		**854,911**	**861,280**
Loans and borrowings	20	2 433	375
Other current financial liabilities	21	1,555	5,000
Deferred income	12	68,251	62,602
Provisions	29	4,125	497
Current tax liabilities		31,478	34,400
Trade payables		8,375	6,625
Other payables	13	81,007	66,773
Current liabilities		**197,224**	**176,272**
Total liabilities		**1,052,135**	**1,037,552**
Total equity and liabilities		**1,770,938**	**1,742,695**

The Notes on pages 78 to 133 are an integral part of these consolidated financial statements

Consolidated statement of changes in equity

(EUR 000)

		For the period ended 31 December 2018								
		Attributable to owners of the Company								
	Note	Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve	Treasury share reserve	Total	Non-controlling interests	Total equity
Balance at 01 January 2018		55,200	630,441	75,585	(41,437)	(545)	(14,326)	704,918	225	705,143
Profit/(loss) for the year		-	-	89,362	-	-	-	89,362	29	89,391
Other comprehensive income/(loss) for the year, net of tax		-	-	997	11,592	(393)	-	12,196	3	12,199
Total comprehensive income/(loss) for the year		-	-	90,359	11,592	(393)	-	101,558	32	101,590
Contributions and distributions										
Equity-settled share-based payment	7	-	-	5,454	-	-	-	5,454	-	5,454
Purchase of treasury shares	24	-	-	-	-	-	(36,011)	(36,011)	-	(36,011)
Treasury shares delivered	7	-	-	(5,937)	-	-	5,937	-	-	-
Dividends paid	24	-	-	(56,171)	-	-	-	(56,171)	-	(56,171)
Total contributions and distributions		-	-	(56,654)	-	-	(30,074)	(86,728)	-	(86,728)
Changes in ownership interests										
Share cancellation	24	(1,347)	-	(34,542)	-	-	35,889	-	-	-
Total changes in ownership interest		(1,347)	-	(34,542)	-	-	35,889	-	-	-
Total transactions with owners of the Company		(1,347)	-	(91,196)	-	-	5,815	(86,728)	-	(86,728)
IFRS 9 opening balance adjustment	3	-	-	(1,202)	-	-	-	(1,202)	-	(1,202)
Total opening balance sheet adjustments		-	-	(1,202)	-	-	-	(1,202)	-	(1,202)
Balance at 31 December 2018		53,853	630,441	73,546	(29,845)	(938)	(8,511)	718,546	257	718,803

The Notes on pages 78 to 133 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity (continued)

(EUR 000)		For the period ended 31 December 2017									
		Attributable to owners of the Company									
	Note	Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve	Treasury share reserve	Other reserve	Total	Non-controlling interests	Total equity
Balance at 01 January 2017		55,200	630,441	29,887	7,627	(1,324)	(76)	36,118	757,873	1,930	759,803
Profit/(loss) for the year		-	-	88,324	-	-	-	-	88,324	357	88,681
Other comprehensive income/(loss) for the year, net of tax		-	-	(245)	(49,064)	779	-	-	(48,530)	(8)	(48,538)
Total comprehensive income/(loss) for the year		-	-	**88,079**	**(49,064)**	**779**	-	-	**39,794**	**349**	**40,143**
Contributions and distributions											
Equity-settled share-based payment	7	-	-	5 142	-	-	-	-	5,142	-	5,142
Deferred consideration delivered	24	-	-	2,556	-	-	33,056	(35,612)	-	-	-
Purchase of treasury shares	24	-	-	-	-	-	(47,995)	-	(47,995)	-	(47,995)
Treasury shares delivered	7	-	-	(689)	-	-	689	-	-	-	-
Dividends paid	24	-	-	(48,290)	-	-	-	(506)	(48,796)	(54)	(48,850)
Total contributions and distributions		-	-	**(41,281)**	-	-	**(14,250)**	**(36,118)**	**(91,649)**	**(54)**	**(91,703)**
Changes in ownership interests											
Changes in non-controlling interest	25	-	-	150	-	-	-	-	150	(250)	(100)
Acquisition of subsidiary with non-controlling interest	14	-	-	(1,250)	-	-	-	-	(1,250)	(1,750)	(3,000)
Total changes in ownership interest		-	-	**(1,100)**	-	-	-	-	**(1,100)**	**(2,000)**	**(3,100)**
Total transactions with owners of the Company		-	-	**(42,381)**	-	-	**(14,250)**	**(36,118)**	**(92,749)**	**(2,054)**	**(94,803)**
Balance at 31 December 2017		55,200	630,441	75,585	(41,437)	(545)	(14,326)	-	704,918	225	705,143

The Notes on pages 78 to 133 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

(EUR 000)	Note	2018	2017
Cash flows from operating activities			
Profit/(loss) for the year		89,391	88,681
Adjustments for:			
Income tax expense	26	8,408	18,893
Share of profit and result of transactions with equity-accounted investees and subsidiaries (net of tax)	18	(78)	(689)
Financial result	22	32,934	25,896
Depreciation and amortisation of other intangible assets	17	11,096	11,019
Amortisation of acquisition-related intangible assets	17	41,509	41,029
(Gain)/loss on sale of non-current assets		33	61
Other non cash items		5,495	4,171
		188,588	189,061
Changes in			
(Increase)/decrease in trade working capital[1]		19,041	(21,451)
(Increase)/decrease in other working capital[2]		3,271	3,150
Increase/(decrease) in provisions		3,743	(2,155)
Changes in foreign currency		(967)	1,625
		213,676	170,230
Income tax paid		(28,698)	(13,296)
Net cash from/(used in) operating activities		184,978	156,934
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		11	10
Proceeds from sale of Investments	25	-	1,589
Purchase of property plant and equipment	15	(3,291)	(2,498)
Purchase of intangible assets	16	(6,275)	(5,791)
Acquisitions, net of cash acquired	14	(6,611)	(7,652)
(Increase)/decrease in other financial assets		1,670	1,469
Dividends received		75	55
Interest received	22	322	43
Net cash from/(used in) investing activities		(14,099)	(12,775)

1 (Increase)/decrease in trade Working capital is defined by the net (increase)/decrease in Trade receivables, Work in progress, Trade payables and Deferred income

2 (Increase)/decrease in other Working capital is defined by the net (increase)/decrease in Other receivables, Prepayments and Other payables (excl. liabilities for cash held on behalf of clients)

The Notes on pages 78 to 133 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows (continued)

(EUR 000)	Note	2018	2017
Cash flows from financing activities			
Proceeds from bank borrowings	20	739,802	-
Repayment of loans and borrowings banks	20	(782,906)	(18,000)
Interest and other finance expenses paid		(23,347)	(23,212)
Payment of financing costs		(13,216)	(100)
Dividends paid	24	(56,171)	(48,290)
Dividends paid to non-controlling interest		-	(54)
Acquisition of treasury shares	24	(37,040)	(46,966)
Interest rate hedge settlement		(330)	-
Net cash from/(used in) financing activities		**(123,208)**	**(136,622)**
Net increase/(decrease) in cash		**47,671**	**7,537**
Cash attributable to the Company at the beginning of the period	19	56,157	51,733
Effect of exchange rate fluctuations on cash attributable to the Company		1,677	(3,113)
Cash attributable to the Company at the end of the period		**105,505**	**56,157**
Cash held on behalf of clients at the end of the period	19	22,298	10,463
Cash and cash equivalents at the end of the period	19	**127,803**	**66,620**

The Notes on pages 78 to 133 are an integral part of these consolidated financial statements.

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Section 1
General information and basis for reporting

1. Reporting entity

Intertrust N.V. (the "Company") is a company domiciled in the Netherlands and was incorporated on 8 September 2014. The address of the Company's registered office is Prins Bernhardplein 200, Amsterdam, the Netherlands.

The financial statements of the Company for the period from 1 January 2018 to 31 December 2018 comprise the Company and its subsidiaries (together referred as the "Group" and individually as "Group entities") and the Group's interest in associates.

The Company began trading its shares on Euronext Amsterdam on 15 October 2015 following an Initial Public Offering (IPO) The Group provides corporate and fund services, private client services and capital markets services. As at 31 December 2018, the Group has operations in 41 offices, 29 jurisdictions and employed 2,515 FTEs (full-time equivalent employees) (31 December 2017 2,468 FTEs).

2. Basis of preparation

2.1. Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union for use in the EU (EU IFRS) effective as at 31 December 2018 and in accordance with Title 9 Book 2 of the Dutch Civil Code.

These consolidated financial statements were authorised for issue by the Management Board and approved by the Supervisory Board on 14 February 2019. They are subject to approval by the Annual General Meeting to be held on 16 May 2019.

2.2. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the consolidated statement of financial position:

- Derivative financial instruments are measured at fair value;
- Defined benefit liabilities/(assets) are recognised at the fair value of plan assets less the present value of defined benefit obligation, as explained in note 28.

2.3. Functional and presentation currency

These consolidated financial statements are presented in Euro, which is the Company's functional currency. All financial information presented in Euro has been rounded to the nearest thousand (EUR 000), unless otherwise indicated.

2.4. Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in the following notes.

- Note 16.1: impairment test key assumptions underlying recoverable amounts of cash generating units,
- Note 27.1. recognition of deferred tax assets availability of future taxable profit against which carry forward tax losses can be used,
- Note 29 recognition and measurement of provisions and contingencies key assumptions about the likelihood and magnitude of an outflow of resources.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as much as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities,
- Level 2 inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about assumptions made in measuring fair values is included in the following notes:

- Note 7.1 Description of share-based payment arrangements;
- Note 23.6 Fair values of financial instruments

3. Significant accounting policies and standards

3.1. Changes in accounting policies and new standards

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities. There have been no significant changes compared to the prior year consolidated financial statements as at and for the year ended 31 December 2017.

To the extent relevant, all IFRS standards and interpretations including amendments that were in issue and effective from 1 January 2018, have been adopted by the group from 1 January 2018:

IFRS 9 'Financial Instruments'

The standard was published in July 2014, replaced guidance in IAS 39 'Financial Instruments': Recognition and Measurement. IFRS 9 includes revised guidance on classification and measurement of financial instruments, including an expected credit loss model for calculating impairment on financial assets In addition, IFRS 9 provides a revised hedging model. All of the Group's hedge relationships are continued under IFRS 9. The Group implemented IFRS 9 per 1 January 2018 IFRS 9 does not have a material impact on the consolidated financial statements for

- Future expected losses (additional allowances for trade receivables were provided for),
- Cash flow hedging (no impact identified),
- Classification and measurement (no impact identified).

The Group has applied IFRS 9 retrospectively as of 1 January 2018 by adjusting the opening balance sheet and opening equity at 1 January 2018 by EUR 1.2 million which is not material for the Group. We decided not to restate comparative periods as permitted by IFRS 9 and decided to continue all of the Group's hedge relationships under IFRS 9 as of 1 January 2018

IFRS 9 contains three principal classification categories for financial assets, measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities and derivative financial instruments as mentioned above.

For an explanation of how the Group classifies and measures financial instruments and accounts for related gains and losses under IFRS 9, see Note 23.6 where the fair values are next to the measurements disclosed also.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial assets and financial liabilities as at 1 January 2018

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 January 2018 relates solely to the new impairment requirements.

(EUR 000)	Note	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Financial assets				Balances as at 1 January 2018	
Interest rate swaps used for hedging	21	Fair value - hedging instrument	Fair value - hedging instrument	494	494
Loans and receivables	21	Loans and receivables	Amortised cost	3,276	3,276
Unquoted equity shares	21	Loans and receivables	Amortised cost	455	455
Trade and other receivables	11	Loans and receivables	Amortised cost	103,103	101,901
Other receivables	13	Loans and receivables	Amortised cost	18,937	18,937
Work in progress	10	Loans and receivables	Amortised cost	33,078	33,078
Cash and cash equivalents	19	Loans and receivables	Amortised cost	66,620	66,620
Total financial assets				**225,693**	**224,761**

(EUR 000)		Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Financial liabilities				Balances as at 1 January 2018	
Interest rate swaps used for hedging	21	Fair value - hedging instrument	Fair value - hedging instrument	966	966
Secured loans and borrowings	20	Other financial liabilities	Other financial liabilities	770,742	770,742
Trade payables		Other financial liabilities	Other financial liabilities	6,625	6,625
Other liabilities	13	Other financial liabilities	Amortised cost	66,773	66,773
Total financial liabilities				**845,106**	**845,106**

IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 'Revenue from Contracts with Customers', published in May 2014, established a framework for determining whether, how much and when revenue is recognised. It replaced guidance, including IAS 18 'Revenue' and IAS 11 'Construction Contracts and was implemented by the Group per 1 January 2018 The Group is aware that the impact on annual reporting is not material and mainly related to fixed fee services provided to customers

Others:

- Classification and measurement of share-based payment transactions (Amendment to IFRS 2),
- Annual improvements to IFRS Standards 2014-2016;
- IFRIC 22 Foreign currency transactions and advance considerations.

New standards and interpretations issued but not yet effective

All IFRS standards and interpretations that were in issue but not yet effective for reporting periods beginning on 1 January 2018 have not yet been adopted and disclosed in the Group's consolidated financial statements as at and for the year ended 31 December 2018. No significant changes to the disclosures are recognised at this stage except for IFRS 16.

IFRS 16 'Leases'

IFRS 16 replaces IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases-Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17

Lessor accounting under IFRS 16 is changed from today's accounting under IAS 17 and has an estimated impact to the group for a limited number of contracts with an estimated impact on assets of EUR 19.2 million, a corresponding increase in liabilities of EUR 15.1 million as at 1 January 2019 with a total increase in equity of EUR 4.1 million.

From a lessee perspective, at the commencement date of a lease, a lessee will recognise a liability to make lease payments ('lease liability') and an asset representing the right to use the underlying asset during the lease term ('right-of-use asset'). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events (such as a change in the lease term or lease payments, unless there is a substantial modification to the substance of the contract). The amount of the remeasurement of the lease

liability is recognised as an adjustment to the right-of-use asset.

Intertrust did apply the practical expedient not to reassess whether a contract is, or contains, a lease at the date of initial application. It will apply the definition of a lease requirement only to contracts entered into (or changed) on or after the date of initial application. The impact on the financial position as at 1 January 2019 is expected to be as follows:

Adoption of IFRS 16 is estimated to result in an increase in assets of EUR 93,7 million, a corresponding increase in liabilities of EUR 89,6 million as at 1 January 2019 with a total increase in equity of EUR 4,1 million (including lessor accounting mentioned above)

(EUR million)	1 January 2019	IFRS 16 adjustment	Adjusted 1 January 2019
Non-current assets	1,486.4	92.6	1,579.0
Current assets	284.5	1.1	285.6
Total Assets	**1,770.9**	**93.7**	**1,864.6**
Total Equity	718.8	4.1	722.9
Non-current liabilities	854.9	74.9	929.8
Current liabilities	197.2	14.7	211.9
Total Equity and Liabilities	**1,770.9**	**93.7**	**1,864.6**

The estimated impact of adoption as at 1 January 2019 may be subject to change until the group presents its first financial statements under the new standards.

We also estimate no material impact on our revenues for the financial year 2019 and limited (classification) impact on our cash flows for the same year.

Transitioning to IFRS16 does not have impact on the Group's covenants.

Transition

The group plans to adopt IFRS 16 using the modified retrospective method, with the effect of initially applying this standard recognised at the date of 1 January 2019. As a result, the group will apply the requirements of IFRS 16 to the financial year ended 31 December 2019.

Other standards

The following new or amended standards are not expected to have a significant impact on the consolidated financial statements:

- IFRIC 23 Uncertainty over tax treatments;
- Prepayment features with negative compensation (Amendment to IFRS 9);
- Long-term interests in associates and joint ventures (Amendments to IAS 18);
- Plan amendment, curtailment or settlement (Amendments to IAS19),
- Annual improvements to IFRS Standards 2015-2017,
- IFRS 17 Insurance Contracts.

3.2. Summary of significant accounting policy

The general accounting policies applied to the consolidated financial statements as a whole are described below, while other significant accounting policies related to specific items are described under the relevant note. The description of accounting policy in the notes forms an integral part of the description of the accounting policies in this section. Unless otherwise stated, these policies have been consistently applied to all the years presented.

	Note
Revenue	5
Business combination	14
Employee benefits	28
Equity-settled share-based payment arrangements	7
Operating leases	30
Property, plant and equipment	15
Intangible assets	16
Impairment of non-financial assets	16.1
Financial instruments	23
Provisions	29
Trade receivables	11
Equity	24

3.3. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled either directly, or indirectly, by the Company. Control is achieved when the parent is exposed to, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policy in line with the Group. All intercompany transactions and balances, including unrealised gains and losses, arising from transactions between Group companies are eliminated.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income:

- FVOCI – equity instrument (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);
- financial liabilities designated as hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent the hedge is effective.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Euro at the exchange rates at the reporting date (closing rates). The income and expenses of foreign operations are translated into Euro at exchange rates at the dates of the transactions.

The Group doesn't own nor control any foreign operations in hyperinflationary economies.

Foreign currency differences are recognised in other comprehensive income, and accumulated in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising from such item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income, and presented in the translation reserve in equity.

Hedge of a net investment in foreign operations

The Group applies hedge accounting to foreign currency differences arising between the functional currency of foreign operation and the Company's functional currency (Euro)

To the extent that the hedge is effective, foreign currency differences arising on the translation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in Other comprehensive income (OCI) and accumulated in the translation reserve. Any remaining differences are recognised in profit or loss When the hedged net investment is disposed of, the relevant amount in the translation reserve is transferred to profit or loss as part of the gain or loss on disposal.

3.4. Cash flow statement

Cash flow statements are prepared using the indirect method. Cash flows from derivative instruments are classified consistently with the nature of the instruments. Dividend income is presented under investing activities.

4. Non IFRS Financial measures

4.1. Definitions

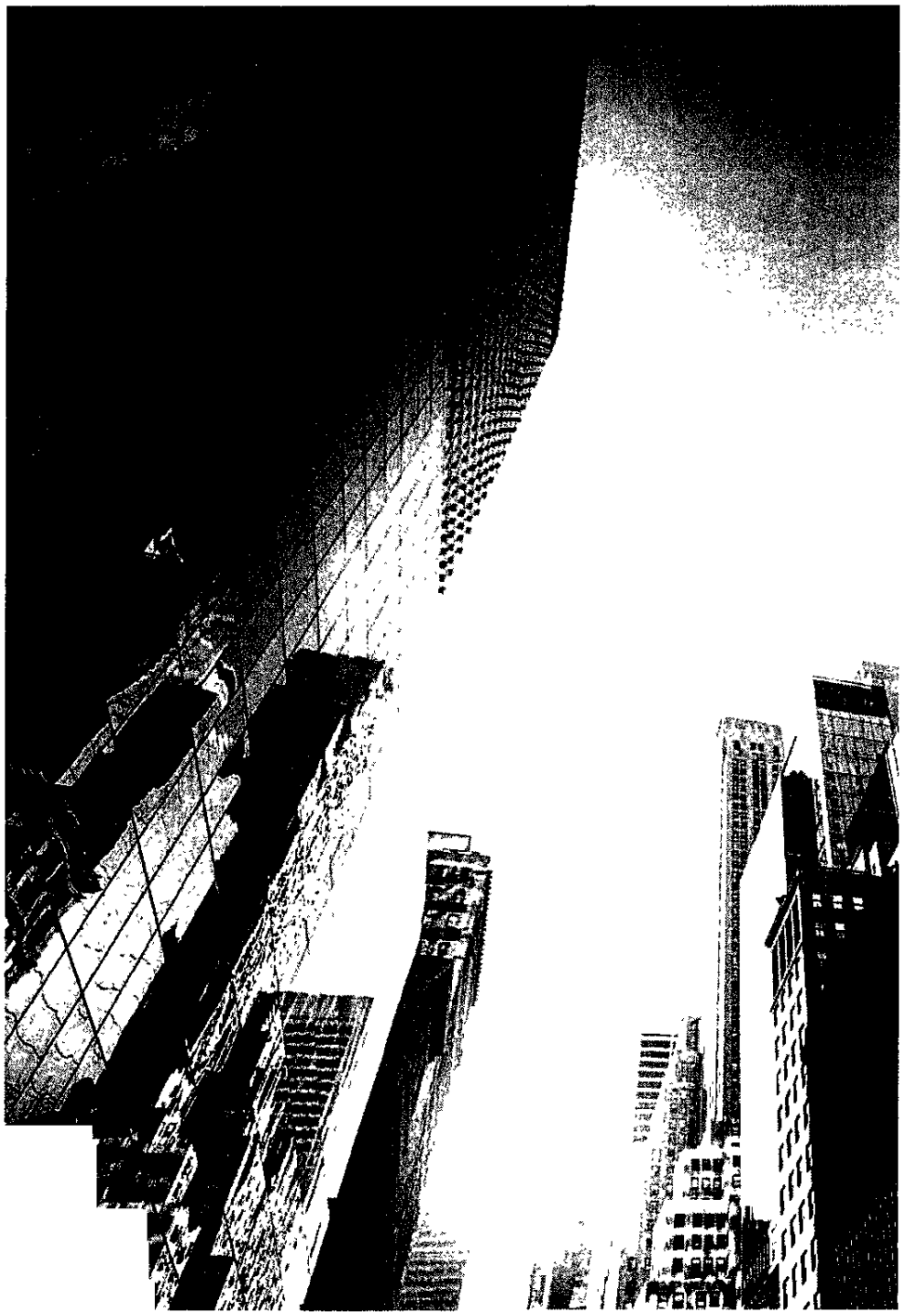
For the definitions of non-financial measures we refer to the Glossary. Other than those defined there, we give more clarification as listed below on:

- Specific items of income or expenses are income and expenses items that, based on their significance in size or nature, should be separately presented to provide further understanding about the financial performance. Specific items include.
  - Transaction costs;
  - Integration and transformation costs,
  - Share-based payment upon IPO,
  - Share-based payment upon integration,
  - Income/expenses related to disposal of assets.

  Specific items are not of an operational nature and do not represent the core operating results.
- EBITDA is defined as profit/(loss) from operating activities excluding depreciation and amortisation.
- Adjusted EBITDA is defined as EBITDA excluding specific items.
- Adjusted EBITA is defined as Adjusted EBITDA excluding depreciation and amortisation of other intangible assets.
- Adjusted EBITA margin is defined Adjusted EBITA divided by revenue, and is expressed as a percentage
- Adjusted net income is defined as Adjusted EBITA less net interest costs, less tax expenses and share of profit of equity accounted investees (net of tax) and excluding adjusting items in financial results and income taxes.
- Adjusted earnings per share is defined as adjusted net income divided by the weighted-average number of basic shares for the period
- ARPE is defined as Average Revenue Per Entity.
- Capital expenditure ("Capex") is defined as investments in property, plant, equipment, software and other intangible assets not related to acquisitions.
- Net interest is defined as net finance cost excluding Forex gains and losses and fair value adjustments (for specific financial instruments) recognised in the Income Statement.
- Working capital (WC) in the Balance Sheet is defined as the total of the trade working capital, other working capital and net current tax.
- Trade working capital in the Balance Sheet is defined as the total of Trade receivables, Work in progress, Trade payables and Deferred income.
- Other working capital in the Balance Sheet is defined as the total of Other receivables, Prepayments and Other payables.
- Capital employed is defined as the total of Working capital (WC) in the Balance Sheet , Property, Plant and Equipment and Intangibles (including acquisition related and other assets).
- Net debt is defined as the net of the cash and cash equivalents excluding cash on behalf of customers and gross value of the third party indebtedness.
- Leverage ratio is defined as total net debt (on "last twelve months" (LTM) average FX rates) divided by the adjusted EBITDA proforma contribution for acquisitions and full year run-rate synergies related to acquisitions and other SFA adjustments such as the addback of LTM LTIP accruals.
- Effective tax rate ("ETR") is calculated as minus one times income tax expense divided by the profit before tax of the Group.

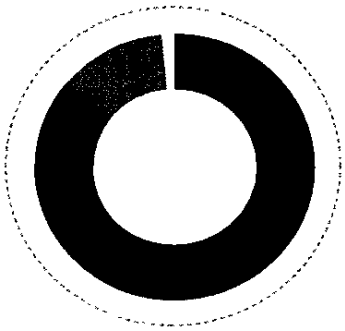
Section 2
Result of the year

This section presents the notes related to items in the income statement (except for depreciation and amortisation, operating leases, financial results and taxes) and disclosure of operating segments. If applicable, relevant notes on balance sheet items, which also relate to items in the income statement, are also presented in this section. A detailed description of the results for the year is provided in the financial performance section in the Management Board report.



Full year revenue
496.1
in EUR million

Basic EPS
1.00
EUR



- Corporates (190 in EUR million)
- Funds (166 in EUR million)
- Private Wealth (70 in EUR million)
- Capital Markets (63 in EUR million)
- Other (7 in EUR million)

5. Operating segments

5.1. Basis for segmentation

The Management Board is the Chief Operating Decision Maker of the Group (CODM). The responsibility of the Management Board is to assess performance and to make resource allocation decisions across the Group.

- Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and sales taxes or duty. Revenue is recognised in profit or loss to the prorate part of the services rendered to the client during the reporting date. When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.
- Revenue comprises corporate and fund services, private wealth services and capital markets services. Revenue also includes rental income from subleasing to clients.

The analysis of the business is organised on and managed from a geographical perspective. From 1 January 2018, revenue breakdown reflects Intertrust's new reporting structure, whereby Cayman Islands is included within the new Americas segment, together with Bahamas, Brazil, BVI, Curacao and USA, previously part of Rest of the World.

The more recently announced segmentation (14 January 2019) is in use from 1 January 2019 and will be presented in our Publication, 1Q 2019 trading update and Annual report 2019.

The reconciliation table below shows the restated from 2017 segmentation to 2018 segmentation.

(EUR 000)	2017 presented in 2018		2017 presented in 2017	
	Revenue	% Revenue	Revenue	% Revenue
Netherlands	117,181	24%	117,181	24%
Luxembourg	97,103	20%	97,103	20%
Americas	89,214	18%	-	n.a.
Cayman	-	n.a.	68,854	14%
Jersey	58,511	12%	58,511	12%
Rest of the World	123,207	25%	143,567	30%
Segment Revenue	**485,216**	**100%**	**485,216**	**100%**

(EUR 000)	2017 presented in 2018		2017 presented in 2017	
	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA
Netherlands	71,967	39%	71,967	39%
Luxembourg	51,372	28%	51,372	28%
Americas	46,404	25%	-	n.a.
Cayman	-	n.a.	40,631	22%
Jersey	29,975	16%	29,975	16%
Rest of the World	45,419	25%	54,437	29%
Group HQ and IT costs[1]	(60,005)	-32%	(63,250)	-34%
Segment Adjusted EBITA	**185,132**	**100%**	**185,132**	**100%**

1 Group HQ and IT costs are not allocated by operating segment

All operating segments are regarded as reportable segments due to their size/importance for the overall understanding of the geographical business. They are reported in a manner consistent with the internal reporting provided to and used by the Management Board.

The Management Board evaluates the performance of its segments based on Revenue and Adjusted EBITA ("segment Revenue" and "segment Adjusted EBITA"). Management considers that such information is the most relevant in evaluating the results of the respective segments.

(EUR 000)	Note	2018	2017
EBITDA		**183,060**	**184,829**
Integration and transformation costs	8	12,486	7,804
Share-based payment upon IPO	7	1,090	2,098
Share-based payment upon integration	7	195	1,060
Transaction costs	8	110	83
Other operating expenses		20	277
Adjusted EBITDA		**196,961**	**196,151**
Depreciation and amortisation of other intangible assets	17	(11,096)	(11,019)
Adjusted EBITA		**185,865**	**185,132**

The individual Adjusted EBITA by operating segment excludes the allocation of Group HQ and IT costs, which is subsequently deducted from the total.

Profit/(loss) before income tax is not used to measure the performance of the individual segment as items like amortisation of intangibles (except for software) and net finance costs are not allocated to individual segments.

Consistent with the aforementioned reasoning, segment assets/liabilities are not reviewed regularly on a segment basis by management and are therefore not included in the IFRS segment reporting

5.2. Information about reportable segments

(EUR 000)	2018		2017	
	Revenue	% Revenue	Revenue	% Revenue
Netherlands	115 749	23%	117,181	24%
Luxembourg	109 125	22%	97,103	20%
Americas	84 434	17%	89,214	18%
Jersey	57 854	12%	58,511	12%
Rest of the World	128 894	26%	123,207	25%
Segment Revenue	496 056	100%	485,216	100%

(EUR 000)	2018		2017	
	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA
Netherlands	69 838	38%	71,967	39%
Luxembourg	62 741	34%	51,372	28%
Americas	45 693	25%	46,404	25%
Jersey	29 166	16%	29,975	16%
Rest of the World	48 824	26%	45,419	25%
Group HQ and IT costs[1]	(70,397)	-38%	(60,005)	-32%
Segment Adjusted EBITA	**185,865**	**100%**	**185,132**	**100%**

1 Group HQ and IT costs are not allocated by operating segment

5.3. Reconciliation of reportable segments to profit before income tax

(EUR 000)	Note	2018	2017
Adjusted EBITA reportable segments		185,865	185,132
Share-based payment upon IPO	7	(1,090)	(2,098)
Share-based payment upon integration	7	(195)	(1,060)
Transaction costs	8	(110)	(83)
Integration and transformation costs	8	(12,486)	(7,804)
Other operating expenses	8	(20)	(277)
Amortisation of acquisition-related intangibles	17	(41,309)	(41,029)
Financial result	22	(32,934)	(25,896)
Share of profit and result of transactions with equity-accounted investees and subsidiaries (net of tax)		78	689
Profit before income tax		**97,799**	**107,574**

5.4. Entity-wide disclosures

Management does not distinguish between revenue streams resulting from different services. Therefore no further split of revenues is presented.
There is no single customer amounting to 10% or more of Group's revenues.

6. Staff expenses

(EUR 000)	Note	2018	2017
Salaries and wages		(171,805)	(164,513)
Other personnel expenses		(20,556)	(21,547)
Social security contributions		(17,191)	(15,657)
Pensions and benefits		(8,536)	(7,578)
Share-based payment long term incentive plan	7	(4,186)	(2,048)
Share-based payment upon IPO and Integration	7	(1,285)	(3,158)
Staff expenses		**(223,559)**	**(214,501)**

Pension and benefits includes defined contributions of EUR 8,467 thousand (2017: EUR 7,920 thousand) and defined benefits amounting to an expense of EUR 69 thousand (2017: gain of EUR 342 thousand).

Staff expenses include specific items for share based payment upon IPO of EUR 1,090 thousand (2017: EUR 2,098 thousand) and upon integration of EUR 195 thousand (2017: EUR 1,060 thousand). These programs are related to the awards made

- under the equity-settled share-based payment arrangements implemented following the listing of the Company's shares on Euronext Amsterdam in 2015;
- following the Elian acquisition in September 2016; and
- following the Azcona asset deal in February 2017.

The number of FTEs at year end amounts to 2,515 (2017: 2,468). Average FTE in FY 2018 amounts to 2,497 (2017: 2,444)

7. Share-based payment arrangements

The Company operates equity-settled share-based payment arrangements, under which services are received from Management Board members and eligible employees

The total amount to be expensed for services received is determined by reference to the grant date fair value of the share-based payment awards made, including the impact of any non-vesting conditions and market conditions.

Service conditions and non-market performance conditions are taken into account in the number of awards expected to vest. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of awards that will eventually vest, with a corresponding credit to equity.

At each reporting date, the Company revises its estimates of the number of awards that are expected to vest. The impact of the revision of original estimates, if any, is recognised in the income statement for the period.

The employer social security contributions payable in connection with an award made is considered an integral part of the award, and the charge is treated as a cash-settled share-based payment transaction.

7.1. Description of share-based payment arrangements

Following the listing on Euronext Amsterdam in 2015 and Elian acquisition in 2016, the Company has implemented and made awards to members of the Management Board and selected eligible employees under the three equity-settled share-based payment plans:
a) Executive Ownership Plan ('EOP')
b) Employee Stock Ownership Plan ('ESOP')
c) Long Term Incentive Plan ('LTIP')

a) Executive Ownership Plan

In 2015, the members of the Management Board and selected eligible members of senior management were invited to make a one-off investment in the Company's shares at a share price equal to the introduction price of one Company share on Euronext Amsterdam at the time of the IPO. In addition, shares representing 14% of the total investment amount were allocated to the eligible participants for no consideration.

The grant date fair value of each of the 216,605 additional EOP shares allocated for no consideration is equal to the introduction share price at the date of listing of EUR 15.50. As there are no vesting conditions related to the additional EOP shares, the total grant date fair value was expensed immediately.

For each of the acquired/allocated shares, the participants were awarded the conditional right to receive one Company share for every three EOP shares (the Matching Shares) for no consideration. These Matching Shares vested in 2018 on the third anniversary of the IPO settlement date to the extent that the participant still (i) held all the EOP shares and (ii) was employed by the Company on this date. The grant date fair value of the Matching Shares was therefore expensed over a period of 3 years starting on the IPO settlement date.

Details of the number of Matching Shares outstanding are as follows:

In number of shares	2018	2017
Outstanding at the beginning of the year	**435,129**	**495,146**
Forfeited during the year	(58,470)	(60,017)
Vested during the year	(376,659)	-
Outstanding at the end of the year	**-**	**435,129**

The Matching Shares awarded in 2015 do not entitle the participants to receive dividends during the vesting period

EOP matching shared vested in 2018.

b) Employee Stock Ownership Plan

On 23 September 2016, the Management Board made a one-time award of the Company's shares (ESOP Shares) to eligible employees from Elian, to celebrate Elian and Intertrust joining forces. These awards entitled each eligible employee to receive 100 shares for no consideration, subject to continued employment for a period of one year from the acquisition date. Participants were not entitled to receive dividends during the vesting period. As dividends were expected during the vesting period of the new ESOP shares, the grant date fair value of the Celebration Shares of EUR 19.92 (2016) is equal to grant date share price less the discounted value of expected future dividends. The grants vested in September 2017.

On 1 February 2017, the Management Board has made a one-time award of the Company's shares (ESOP Shares) to eligible employees from Azcona, to celebrate Azcona and Intertrust joining forces. These awards entitled each eligible employee to receive shares for no consideration, subject to continued employment for a period of one year from the acquisition date. Participants were not entitled to receive dividends during the vesting period. As dividends were expected during the vesting period of the new ESOP shares, the grant date fair value of the Celebration Shares of EUR 16 82 was equal to grant date share price less the discounted value of expected future dividends.

In number of shares	2018	2017
Outstanding at the beginning of the year	**4,080**	**52,400**
Awarded during the year	-	4,440
Forfeited during the year	-	(11,660)
Vested during the period	(4,080)	(41,100)
Outstanding at the end of the year	**-**	**4,080**

Last ESOP Shares vested in February 2018

c) Long term Incentive Plan

As referred to in the 2015 remuneration policy, the LTIP was implemented during the first half year of 2016. Conditional performance shares were awarded to members of the Management Board and eligible members of senior management on 1 April 2016, 1 April 2017 and 1 April 2018.

Performance shares are awarded on an annual basis and vest on the third anniversary of the grant date subject to (i) the participant remaining in continuous employment during the vesting period and (ii) the Group meeting the pre-determined performance criteria For Management Board members, the vested performance shares will be subject to an additional holding period of 2 years. Participants are not entitled to receive dividends during the vesting period

For all performance cycles 2016-2019, 2017-2020 and 2018-2021, an adjusted Earnings per Share ("adjusted EPS") growth performance target applies. Subject to meeting the service condition, the number of LTIP Shares that vest will be between 0% (adjusted EPS growth below the threshold) and 150%. The vesting percentage is allocated linearly between the threshold level and 100% and also from 100% to the maximum level. In 2017, management estimated the conditions to result in vesting on 100% therefore valuation was adjusted accordingly and kept stable throughout 2018 except for the ones vesting in 2019. For those 104,67% was defined based on the Adjusted EPS growth of 9.28%.

In addition, following the acquisition of Elian, the Management Board awarded performances shares under the LTIP to eligible

Elian employees on 1 November 2016. These awards have the same vesting conditions (including the same vesting date) as the performance shares granted on 1 April 2016.

Details of the number of LTIP Shares awarded and outstanding (at target) are as follows:

In number of shares	2018	2017
Outstanding at the beginning of the year	711,350	421,275
Awarded during the year	425,215	433,352
Forfeited during the year	(159,775)	(143,277)
Outstanding at the end of the year	976,790	711,350

As dividends are expected during the vesting period, the grant date fair value of the performance shares is equal to grant date share price less the discounted value of expected dividends. The weighted-average fair value of the LTIP Shares granted in 2018 is EUR 14.86 (2017 EUR 16.03).

The Management Board's EOP and LTIP awards outstanding and movements during the financial year are disclosed in note 33.2.

7.2. Expenses recognised during the period

The equity-settled share-based payment expenses recognised during the period, per plan and in total are as follows

(EUR 000)	2018	2017
Long Term Incentive Plan (excluding integration cost)	(4,237)	(2,023)
Long term Incentive Plan - integration cost	(163)	(340)
Executive Ownership Plan	(1,033)	(2,071)
Employee Stock Ownership Plan	(21)	(708)
Total	**(5,454)**	**(5,142)**

These numbers excluded the expenses/income related to social securities. In total, the Group recognised income of EUR 3 thousand (2017 expense of EUR 64 thousand) for employer social security contributions payable.

8. Other operating expenses

(EUR 000)	2018	2017
IT expenses	(17,675)	(14,588)
Integration and transformation costs	(12,486)	(7,804)
Professional fees	(8,873)	(8,526)
Travelling	(3,935)	(4,516)
Marketing and sales expenses	(3,472)	(3,422)
Insurance	(2,022)	(1,914)
Transaction costs	(110)	(83)
Other expenses	(16,606)	(21,097)
Other operating expenses	**(65,179)**	**(61,950)**

9. Earnings per share

	2018	2017
Earnings per share		
Basic earnings per share (euro)	1.00	0.97
Diluted earnings per share (euro)	0.99	0.94

9.1. Basic earnings per share

The calculation of basic earnings per share is based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

Profit attributable to ordinary shareholders (basic)	2018	2017
(EUR 000)		
Profit for the period, attributable to the owners of the Company	89 362	88,324
Profit/(loss) attributable to ordinary shareholders	**89,362**	**88,324**

Weighted-average number of ordinary shares (basic)	2018	2017
In number of shares		
Issued ordinary shares at 01 January	91,047 255	91,995,687
Effect of distribution of treasury shares for vested shares	100 651	391,518
Effect of treasury shares held and shares cancelled	(1,748,562)	(1,366,505)
Weighted-average number of ordinary shares at 31 December	**89,399,344**	**91,020,700**

9.2. Diluted earnings per share

The calculation of diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

Profit attributable to ordinary shareholders (diluted)	2018	2017
(EUR 000)		
Profit for the period, attributable to Ordinary shareholders (basic)	89 362	88,324
Profit/(loss) attributable to ordinary shareholders (diluted)	**89,362**	**88,324**

Weighted-average number of ordinary shares (diluted)	2018	2017
In number of shares		
Weighted-average number of ordinary shares (basic)	89,399 344	91,020,700
Effect of share-based payment on issue	1,463 521	3,100,937
Effect of share-based payment cancellation	(187,697)	(478,772)
Weighted-average number of ordinary shares at 31 December	**90,675,168**	**93,642,865**

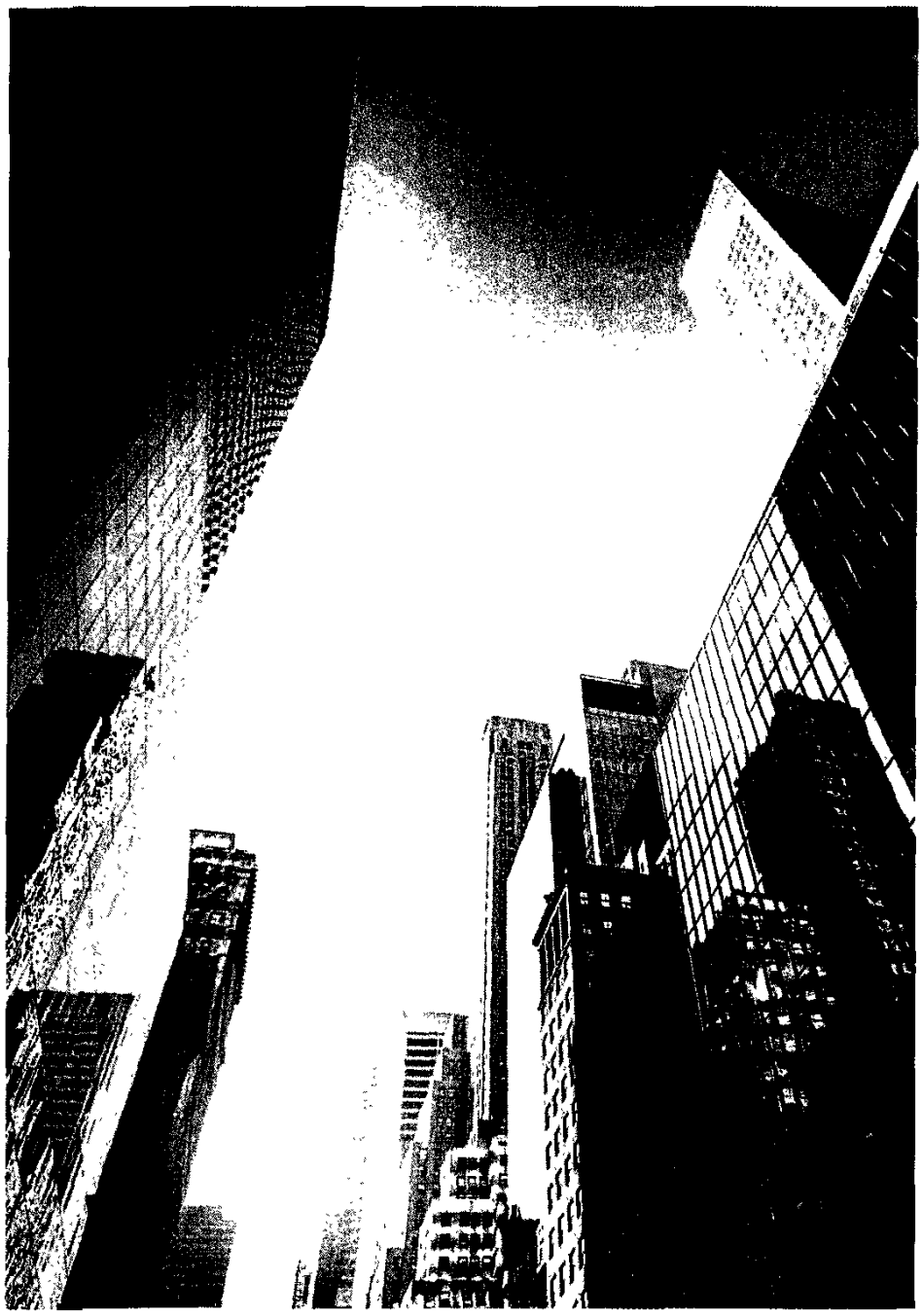
9.3. Adjusted net income per share

The Group calculates the Adjusted net income for 2018 to be EUR 137.7 million (2017 EUR 139 5 million). Adjusted net income is defined as Adjusted EBITA (2018: EUR 185.9 million, 2017 EUR 185.1 million), less adjusted net interest costs of EUR 29.5 million (2017: EUR 27.8 million) , plus share of profit and result of transactions with equity-accounted investees and subsidiaries (net of tax) of EUR 0.1 million (2017 EUR 0.7 million) and less adjusted tax costs of EUR 18.7 million (2017 EUR 18.5 million).

Based on this Adjusted net income and taking the weighted-average number of basic shares for the year of 89,399,344 (2017: 91,020,700), the adjusted net income per share is EUR 1.54 (2017. EUR 1.53).

Section 3
Working capital

The notes in this section specify items that form part of Group's working capital.



WC% of revenue

-3.2%

Capital employed

1,469

in EUR million

10. Work in progress

Work in progress represents the net unbilled amount expected to be collected from clients for work performed to date. It is measured at the chargeable rate agreed with the individual clients less progress billed.

11. Trade receivables

Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortised cost. An increase of EUR 1,202 thousand in the allowance for impairment over these receivables was recognised in opening retained earnings at 1 January 2018 on transition to IFRS 9.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost (if the time value is material), using effective interest method, less provision for impairment. A provision for expected credit losses of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due, according to the original terms of the receivables and the receivable itself in line with its lifetime expected credit loss ("ECL"). The amount of the provision is the difference between the asset's carrying amount and the amount calculated by the expected credit loss model. The model calculates the default loss percentage adjusted by forward looking information. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement within "Other operating expenses". When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against "Other operating expenses" in the income statement.

The ageing analysis of trade receivables net of the allowances is as follows.

(EUR 000)	31.12.2018		
	Gross receivables	Allowance for trade receivables	Net receivables
Not yet due	49,051	(120)	48,931
Past due 1-90 days	23,950	(747)	23,203
Past due 91-180 days	9,686	(888)	8,798
Past due 181-360 days	9,281	(1,269)	8,012
Past due more than 360 days	5,939	(4,405)	1 534
Total	**97,907**	**(7,429)**	**90,478**

	31.12.2017		
	Gross receivables	Allowance for trade receivables	Net receivables
Not yet due	41,068	(93)	40,975
Past due 1-90 days	41,595	(196)	41,399
Past due 91-180 days	11,736	(346)	11,390
Past due 181-360 days	8,493	(949)	7,544
Past due more than 360 days	6,000	(4,205)	1,795
Total	**108,892**	**(5,789)**	**103,103**

The movements in the allowances in respect of trade receivables during the period were as follows

(EUR 000)	
Balance at 01 January 2017	**(5,820)**
Losses recognised in profit or loss	(5,280)
Amounts written off during the year	2,153
Unused amounts reversed	2,715
Effect of movements in exchange rates	332
Outgoing entity	111
Balance at 31 December 2017	**(5,789)**
Balance at 01 January 2018	**(5,789)**
IFRS 9 Opening balance adjustment	(1,202)
Losses recognised in P&L	(4,665)
Amounts written off during the year	1,743
Unused amounts reversed	2 622
Effect of movements in exchange rates	(138)
Balance at 31 December 2018	**(7,429)**

The impairment losses and unused amounts reversed during the period are recognised in "Other operating expenses" under "Other expenses". For credit risk refer to note 23.2.

Trade accounts receivable include amounts denominated in the following major currencies

(EUR 000)	31.12.2018	31.12.2017
EUR	41,179	46,476
USD	31,929	32,751
GBP	11,783	15,827
Other	5,587	8,049
Total	**90,478**	**103,103**

12. Deferred income

The deferred income represents fixed fees invoiced to customers mainly in November-December for the next year(s). It drives higher trade receivables and deferred income at the end of the period, with the deferred income released in the following year. In some cases the fees are invoiced in advance for the complete life of the structures resulting in non-current deferred income. The expected reversal of the balance of deferred income is shown in the following table:

(EUR 000)	31.12.2018	31.12.2017
To be released within one year	68,251	62,602
To be released between one and five years	2,940	4,032
To be released later than five years	2,422	1,718
Total	**73,613**	**68,352**
Balance at 31 December		
Total current	**68,251**	**62,602**
Total non-current	**5,362**	**5,750**

13. Other receivables and other payables

13.1. Other receivables

(EUR 000)	31.12.2018	31.12.2017
Accrued income	9,737	7,291
Due from customers	5,376	8,744
VAT and other tax receivables	1,879	1,567
Others	1,430	1,335
Other receivables	**18,422**	**18,937**

Due from customers relates to receivables from clients for disbursements and expenses where payments were made on behalf of the customers.

None of the "Other receivables" are past due or impaired.

13.2. Other payables

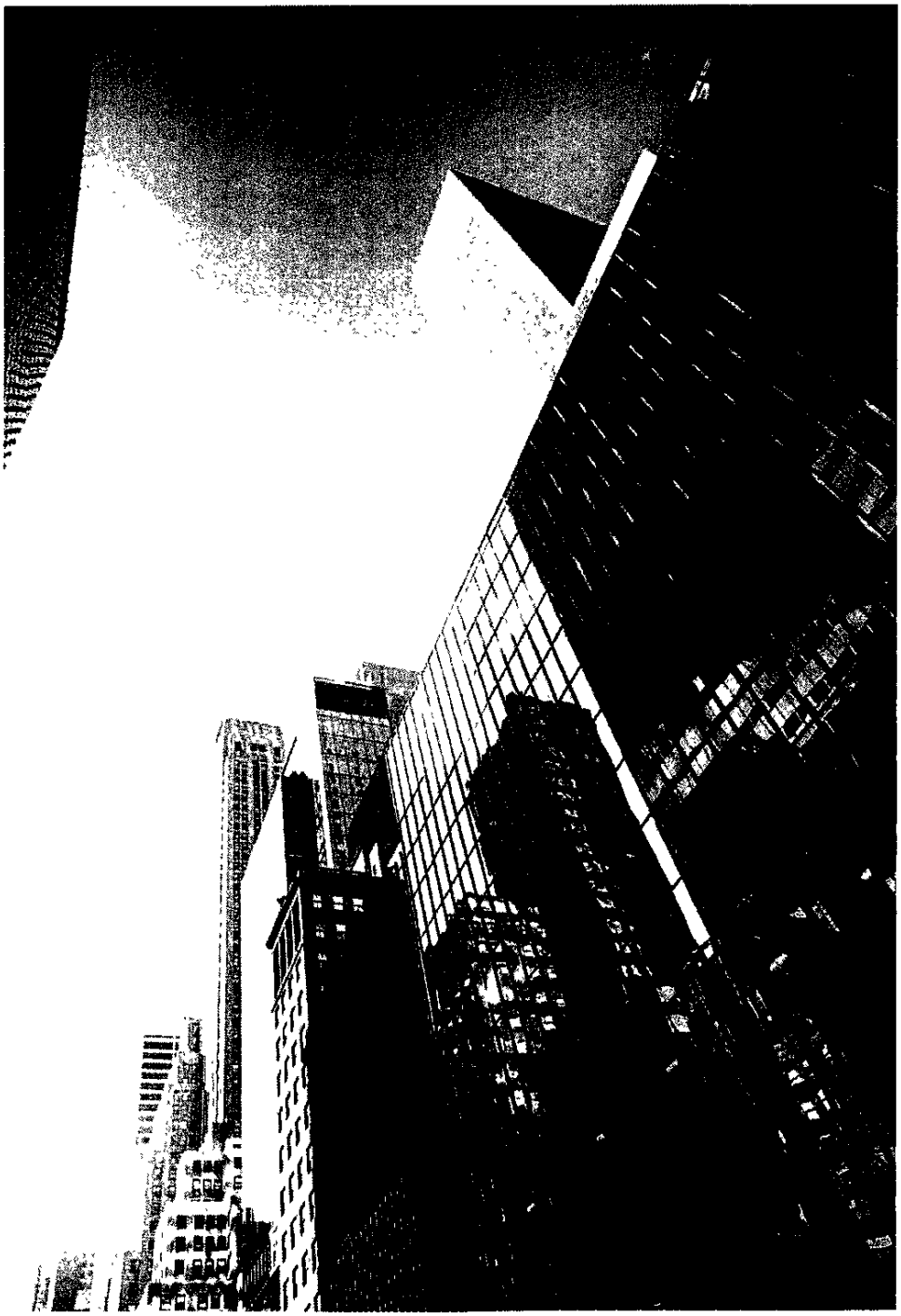
(EUR 000)	Note	31.12.2018	31.12.2017
Accrued expenses for short term employee benefits		24,410	20,342
Liabilities for cash held on behalf of clients	19	22,298	10,463
Accrued expenses		15,651	12,781
VAT and other tax payables		14,157	13,085
Due to customers		3,354	9,645
Others		1,137	457
Other payables		**81,007**	**66,773**

Accrued expenses for short term employee benefits includes mainly bonus accruals, social charges and holiday allowances.

Liabilities for cash held on behalf of clients relates to advances from clients for future fees, unapplied cash received from clients and disbursements invoiced in advance.

Section 4
Investments

The notes in this section specify the group's non-current assets including investments made during the year either through separate asset acquisitions or business combinations.



Capex
9.6
in EUR million

IFRS16 impact on total assets
93.7
in EUR million

Acquisition related intangibles
1,452
in EUR million

14. Acquisition of subsidiaries

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise subsequent changes in the profit or loss.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

14.1. Expanding Intertrust's global footprint

On 2 July 2018, the Group acquired Seed Outsourcing Pty Ltd ("Seed Outsourcing"). Seed Outsourcing is a boutique Australian corporate and fund services firm, providing corporate secretarial, director, domiciliation and payroll services to private equity and real estate fund managers. Intertrust has been working with Seed Outsourcing for more than five years, enabling its global clients to grow their business in Australia and New Zealand. Seed Outsourcing is based in Sydney and the team consisted of six (6) employees. The asset recognised was mainly attributable to revenue from new customers. While this acquisition expands Intertrust's global footprint it does not have a material impact on the Company's financial position or results and the terms of the transaction are not disclosed. Australia is included in the Rest of the World reporting segment.

14.2. Acquisition of remaining SFM Spain stake and affiliated local service provider

On 1 February 2017, the Group acquired the remaining 25% stake in Intertrust Management Spain, S.L. ("SFM Spain") together with the affiliated professional services activities of Azcona y Asociados de Consultoría Tributaria, Jurídica y Contable, S.L. ("Azcona").

The transaction strengthens the Group's position in Spain, making it a leading independent provider of capital markets, funds and corporate services. All Azcona staff members have transferred to the Intertrust team, thereby more than doubled the headcount of the Madrid office to a total of 63 employees. The increased scale of the combined office strengthened the Group's client service capabilities and broadened its career opportunities for employees.

Other than the acquisition of the remainder of the shares, the significant asset recognised was mainly attributable to revenue from new customers. The transaction does not have a material impact on the Company's financial position or results.

15. Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset and all costs directly attributable to bringing the asset to working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing cost, if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated to write off the cost of property, plant and equipment less their residual values on a straight-line basis over their expected useful lives as follows:

Leasehold improvements 5 to 15 years – not exceeding the remaining lease terms,
Equipment & motor vehicles 3 to 10 years;
IT equipment 3 to 5 years.
An item of property, plant and equipment and any significant part initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial period end, and adjusted prospectively, if appropriate.

The movements of the tangible assets are as follows.

(EUR 000)	Leasehold improvements	Equipment & motor vehicles	IT equipment	Total
Cost	11,877	5,014	14,188	31,079
Accumulated depreciation and impairment losses	(2,876)	(2,340)	(5,696)	(10,912)
Balance at 1 January 2017	**9,001**	**2,674**	**8,492**	**20,167**
Business combinations, incoming entities	49	-	-	49
Additions	1,256	366	876	2,498
Disposals	11	(27)	(5)	(21)
Depreciation of the period	(1,901)	(810)	(3,292)	(6,003)
Effect of movements in exchange rates	(299)	(68)	147	(220)
Movements in 2017	**(884)**	**(539)**	**(2,274)**	**(3,697)**
Cost	12,664	5,060	14,604	32,328
Accumulated depreciation and impairment losses	(4,547)	(2,925)	(8,386)	(15,858)
Balance at 31 December 2017	**8,117**	**2,135**	**6,218**	**16,470**
Business combinations, incoming entities	12	-	20	32
Additions	1,444	386	1,461	3,291
Disposals	-	(1)	(23)	(24)
Depreciation of the period	(1,885)	(594)	(2,746)	(5,225)
Effect of movements in exchange rates	26	7	3	36
Movements in 2018	**(403)**	**(202)**	**(1,285)**	**(1,890)**
Cost	13,754	5,507	14,056	33,317
Accumulated depreciation and impairment losses	(6,040)	(3,574)	(9,123)	(18,737)
Balance at 31 December 2018	**7,714**	**1,933**	**4,933**	**14,580**

No interest costs have been capitalised in property, plant and equipment during the period under review.

16. Intangible assets and goodwill

Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets. For the measurement of goodwill at initial recognition, see note 14.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity-accounted investee as a whole

Intangible assets acquired separately

Intangible assets that are acquired separately by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. The Group does not have intangible assets with indefinite useful lives

Amortisation is recognised in profit or loss on a straight-line basis over their estimated useful lives from the date that they are available for use. The amortisation expense is recognised in the consolidated statement of profit and loss in the "Amortisation of acquisition-related intangible assets caption. The estimated useful lives are as follows

- Other intangible assets 1 to 5 years;
- Brand name 20 years;
- Customer relationships 8 to 17 years.

Amortisation methods, estimated useful lives and residual value, are reviewed at each reporting date and adjusted if appropriate, with the effect of any changes in estimate being accounted for on a prospective basis

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost)

Subsequent to initial recognition, intangible assets acquired in a business combination are measured at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately

The movements of the intangible assets and goodwill are as follows:

(EUR 000)	Goodwill	Brand name	Customer relationships	Other intangible assets	Total
Cost	981,328	34,602	663,961	32,550	1,712,442
Accumulated depreciation and impairment losses	-	(6,488)	(108,036)	(17,430)	(131,955)
Balance at 1 January 2017	**981,328**	**28,114**	**555,925**	**15,120**	**1,580,487**
Business combinations, incoming entities	5,875	-	5,798	-	11,673
Additions	-	-	-	4,967	4,967
Disposals	(421)	-	-	-	(421)
Amortisation of the period	-	(1,688)	(39,341)	(5,016)	(46,045)
Effect of movements in exchange rates	(38,261)	(1,160)	(21,981)	(222)	(61,624)
Movements in 2017	**(32,807)**	**(2,848)**	**(55,524)**	**(271)**	**(91,450)**
Cost	948,521	33,135	642,892	37 136	1,661,684
Accumulated depreciation and impairment losses	-	(7,869)	(142,491)	(22,287)	(172,647)
Balance at 31 December 2017	**948,521**	**25,266**	**500,401**	**14,849**	**1,489,037**
Business combinations, incoming entities	225	-	5,076	-	5,301
Additions	-	-	-	6,325	6,325
Amortisation of the period	-	(1,665)	(39,644)	(5,871)	(47,180)
Effect of movements in exchange rates	8 828	312	4,516	(14)	13,642
Movements in 2018	**9,053**	**(1,353)**	**(30,052)**	**440**	**(21,912)**
Cost	957 574	33,562	654,455	43 547	1,689,138
Accumulated depreciation and impairment losses	-	(9,649)	(184,106)	(28,258)	(222,013)
Balance at 31 December 2018	**957,574**	**23,913**	**470,349**	**15,289**	**1,467,125**

During the year, the Group invested in other intangible assets for an amount of EUR 6,325 thousand (2017: EUR 4,967 thousand).

At 31 December 2018 an amount of EUR 62 thousand (2017: EUR 12 thousand) remains payable in balance sheet.

The brand name "Intertrust" is a registered trade name for all countries in which the Company has operational activities or will expand in a near future. The remaining useful life on average is 14 years as at 31 December 2018.

The customer relationship is the Company's client portfolio acquired and has an average remaining useful life of 12 years as at 31 December 2018.

16.1. Impairment testing for cash-generating units containing goodwill

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than work in progress, current and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Goodwill is tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions. The aggregate carrying amounts of goodwill allocated to each CGU are as follows:

(EUR 000)	Balance at 01 January 2018	Business combinations	Outgoing entity	Movements exchange rates	Balance at 31 December 2018
CGU Netherlands	268,788	-	-	-	268,788
CGU Luxembourg	137,211	-	-	-	137,211
CGU Americas[1]	222,486	-	-	10,546	233,032
CGU Jersey	176,991	-	-	(1,444)	175,547
CGU Rest of the world	143,045	225	-	(274)	142,996
Total	**948,521**	**225**	**-**	**8,828**	**957,574**

1 Although the new segmentation was introduced in Q1 2018, all CGU Cayman related goodwill was transferred to CGU Americas without any further reclassification from CGU Rest of the world

(EUR 000)	Balance at 01 January 2017	Business combinations	Outgoing entity	Movements exchange rates	Balance at 31 December 2017
CGU Netherlands	268,788	-	-	-	268,788
CGU Luxembourg	137,211	-	-	-	137,211
CGU Americas	253,127	-	-	(30,641)	222,486
CGU Jersey	183,410	-	-	(6,419)	176,991
CGU Rest of the world	138,792	5,875	(421)	(1,201)	143,045
Total	**981,328**	**5,875**	**(421)**	**(38,261)**	**948,521**

The recoverable amount of goodwill has been determined for the five cash generating units as at 31 December 2018 and 31 December 2017. For each of the CGUs, the recoverable amount is individually and collectively higher than its carrying amount.

Key assumptions used in discounted cash flow projection calculations

The recoverable amount of all CGUs has been determined based on a value-in-use calculation using cash flow projections. The year 1 cash flow projections are based on detailed financial budget, the year 2 to 3 on detailed outlook and the years 4 to 5 on estimates, prepared by management for each cash generating unit based on expectation of future outcomes taking into account past experience. The revenue growth rate assumed beyond the initial 5-year period is 2.0% (2017: 2.0%), that has been based on the expected long term inflation rate.

The values assigned to the key assumptions used in the calculations are as follows for the years 4 to 5

- Market growth: between 3% to 5%,
- Annual Margin Evolution: Improvement;
- Terminal value growth rate 2%;
- Discount rate: between 7.07% to 8.30% (2017: 7.95% to 8.61%).

Discount rate

Discount rates represent a post-tax measure that reflect management's estimate of the time value of money and the risks specific to each unit that are not already reflected in the cash flows. In determining appropriate discount rates for each unit, regard has been given to the industry average weighted average cost of capital. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is determined by adding a debt risk premium to the risk free bonds rate with a maturity of 20 years. CGU-specific risk is incorporated by applying industry beta factors that are evaluated annually based on publicly available market data

Sensitivity to changes in assumptions

Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the recoverable amount of the CGUs.

17. Depreciation and amortisation

(EUR 000)	Note	2018	2017
Amortisation of acquisition-related intangible assets	16	(41,309)	(41,029)
Amortisation of other intangible assets	16	(5,871)	(5,016)
Depreciation of property, plant and equipment	15	(5,225)	(6,003)
Depreciation and amortisation		**(52,405)**	**(52,048)**

18. Investment in equity-accounted investees

The Group's interests in equity-accounted investees comprise only interests in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies

Investments in associates are accounted for using the equity method. They are recognised initially at cost, which includes transactions costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form

part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

The Group's share of profit in its equity-accounted investees for the year 2018 was a gain of EUR 78 thousand compared with 2017, where the share of profit and result of transactions with equity-accounted investees and subsidiaries (net of tax) included the result of the sale of the shares in ATC Switzerland sarl amounting to a gain of EUR 689 thousand. In 2018 the associate declared dividend of EUR 125 thousand which is not yet received as cash in 2018 but in January 2019 (2017 EUR 129 thousand, cash of EUR 75 thousand collected in 2018).

The Group's equity-accounted investee is not publicly listed and consequentially does not have published price quotations. As the equity-accounted investee is not material to the Group, no further information is provided other than the details below. The Group has no commitment in providing additional financing to any of its associates. The (estimated) full year revenue and net profits of the associate and its assets and liabilities are as follows:

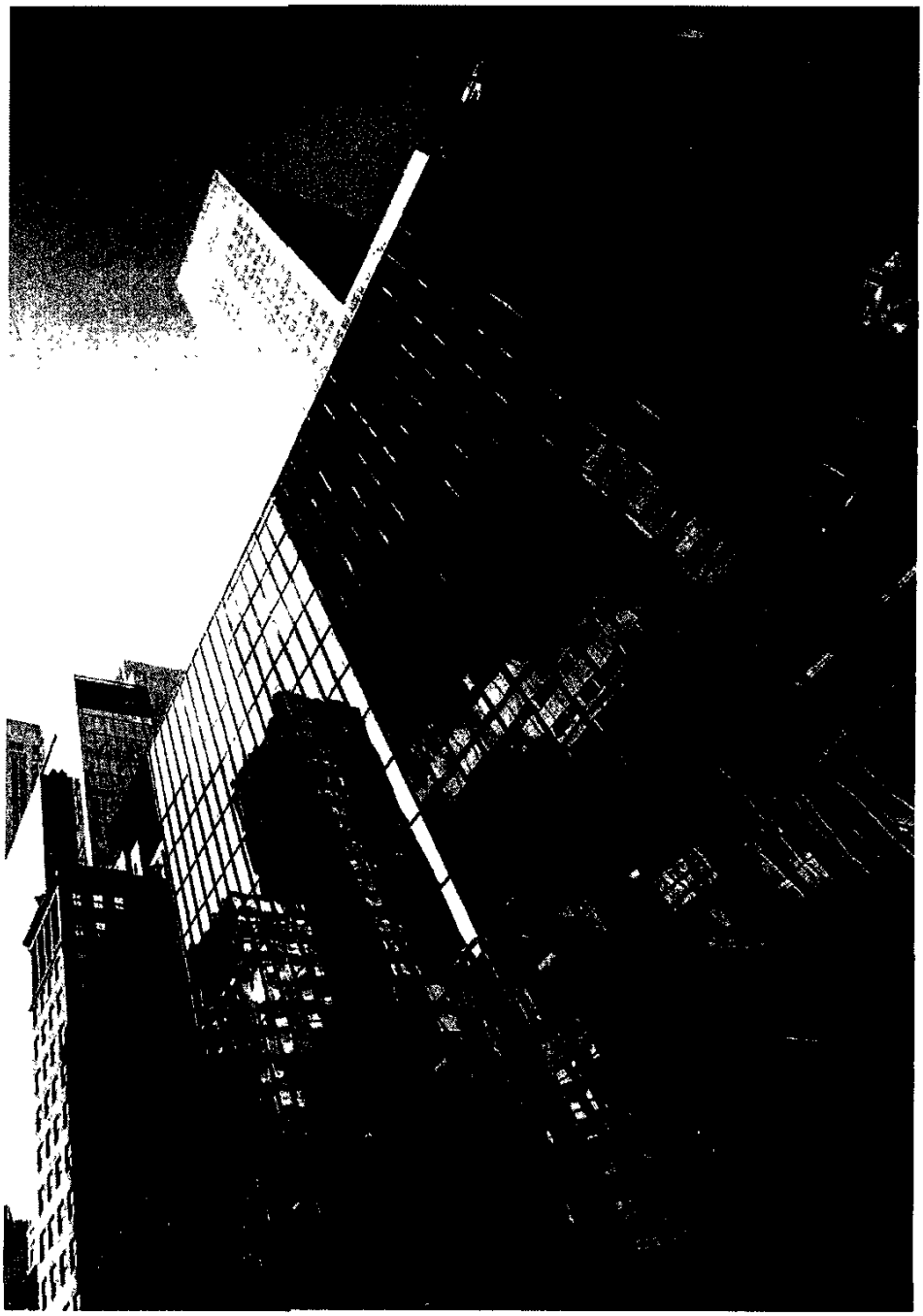
(EUR 000)	Balance at 31 December 2018	Balance at 31 December 2017
	Structured Finance Management Italia SRL[1]	Structured Finance Management Italia SRL[2]
Country of incorporation	Italy	Italy
Percentage ownership interest	50%	50%
Current assets	1,065	1,302
Non-current assets	-	-
Total assets	**1,065**	**1,302**
Current liabilities	767	949
Non-current liabilities	-	-
Total liabilities	**767**	**949**
Net assets (100%)	298	353
Group's share of net assets	149	177
Revenues	572	501
Expenses	(416)	(399)
Profit / (loss) (100%)	**156**	**102**
Group's share of profit	**78**	**51**

1 This associate has a 30 September year-end. Data for calculating the result of associate based on the equity method is obtained from January through to December. The summarised financial information presented above is based on financial statements for the year ending 30 September 2018.

2 This associate has a 30 September year-end. Data for calculating the result of associate based on the equity method is obtained from January through to December. The summarised financial information presented above is based on financial statements for the year ending 30 September 2017.

Section 5
Financing, financial risk management and financial instruments

This section includes notes related to financing items such as equity and borrowings as well as financial risk management and financial instruments. Related items such as earnings per share calculation as well as financial income and expenses, are included in this section.



Dividend per share
0.62
full year in EUR

Net debt
682.0
in EUR million

Leverage ratio
3.38

19. Cash and cash equivalents

Cash and cash equivalents comprise cash balances in bank accounts, cash on hand and cash in short-term deposits with maturities of three months or less.

(EUR 000)	31 12 2018	31.12.2017
Bank balances	127,759	66,602
Short term deposits	26	-
Cash on hand	18	18
Total	**127,803**	**66,620**
Of which:		
Cash attributable to the Company	105,505	56,157
Cash held on behalf of clients	22,298	10,463
Total	**127,803**	**66,620**

Bank balances includes cash in current and call accounts.

Cash held on behalf of clients is driven by funds to pay government fees on their behalf, intellectual property activity and other advances with its corresponding liabilities in "Other payables – liabilities for cash held on behalf of clients".

20. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk refer to note 23.3.

The Group has fully refinanced it's debt under the 2015 and 2016 Senior Facilities Agreements in November 2018 by the issuance of EUR 500 million senior notes (maturing in November 2025), a USD 200 million term loan, a GBP 100 million term loan and a EUR 150 million undrawn Revolving Credit Facility (all maturing in November 2023).

The new financing arrangements are on an unsecured basis.

20.1. Terms and debt movement schedule

Terms and conditions of outstanding loans were as follows

(EUR 000)

Debt arrangement	Currency	Year of maturity	Initial interest rate		Repayment	31.12.2018	31.12.2017
Principal value							
Senior Notes	EUR	2025	3.375%		Bullet	500 000	-
Facility A1	USD	2023	Libor + 2 25%	a)	Bullet	174 672	-
Facility A2	GBP	2023	Libor + 2.25%	a)	Bullet	111,791	-
Revolving credit facility	Multicurrency	2023	Libor + 1 85% + Utilisation Fee	a)	Revolving	-	-
Facility A	EUR	2020	Euribor + 2 50%	a)	Bullet	-	440,000
Facility A2	GBP	2021	Libor + 2.75%	a)	Bullet	-	105,948
Facility A3	EUR	2021	Euribor + 2 75%	a)	Bullet	-	147,500
Facility B	USD	2020	Libor + 2 50%	a)	Bullet	-	83,382
Revolving credit facility	Multicurrency	2020	Euribor/Libor + 2.50%	a)	Revolving	-	-
						786,463	**776,830**
Financing costs						(10,185)	(6,088)
Early redemption valuation adjustment						1,082	-
Total debt						**777,360**	**770,742**
Total current						**2,433**	**375**
Total non-current						**774,927**	**770,367**

(a) If the rates (Euribor or Libor) are below 0%, the rate is deemed to be 0%. The margin can change depending on leverage ratios

The schedule below shows the movements of the bank facilities during the period

(EUR 000)		
Balance at 01 January 2017	Principal value	810,158
Repayments		(18,000)
Effect of exchange rate		(15,328)
Balance at 31 December 2017	Principal value	776,830
Balance at 01 January 2017	Financing costs	(10,865)
Amortised financing costs		4,474
Accrued Interest and commitment fees		303
Balance at 31 December 2017	Financing costs	(6,088)
Balance at 31 December 2017	Net	770,742
Balance at 01 January 2018	Principal value	776,830
Draw down facilities		789,802
Repayments		(782,906)
Effect of exchange rate		2 737
Balance at 31 December 2018	Principal value	786,463
Balance at 01 January 2018	Financing costs	(6,088)
Capitalised financing costs		(13,104)
Amortised financing costs		6 949
Effect of exchange rate		(9)
Accrued Interest and commitment fees		2,067
Balance at 31 December 2018	Financing costs	(10,185)
Balance at 01 January 2018	Early redemption valuation adjustment	-
Valuation adjustment[1]		1,082
Balance at 31 December 2018	Early redemption valuation adjustment	1,082
Balance at 31 December 2018	Net	777,360

1 The early redemption option was at initial recognition recognised on fair value and subsequently measured at amortised cost At inception the adjustment was made and parallel we recognised a financial other asset (option) which was subsequently valued on FVTPL

On 7 November 2018, the Company and Intertrust Group B.V. signed the 2018 Senior Facilities Agreement between, among others, Intertrust Group B.V. as original borrower, the Company as parent and original guarantor, ABN AMRO Bank N.V., Deutsche Bank AG, London Branch, Goldman Sachs Bank USA, HSBC Bank plc, ING Bank N.V., Mizuho Bank Ltd, MUFG Bank (Europe) N V , National Westminter Bank plc, Sumitomo Mitsui Banking Corporation, AIB Group (UK) plc and BAWAG PSK Bank as arrangers, the financial institutions named therein as original lenders and Deutsche Bank Luxembourg S.A. as agent

Under the facilities agreement there is a requirement to ensure that the Leverage ratio in respect of any relevant period on or after 31 December 2018 shall not exceed 4 50 For the year ended 31 December 2018 the covenant was met with a headroom of 25 0% (3.38) (2017. 18.5%).

The 2018 Senior Facilities Agreement is guaranteed by the Company, Intertrust Group BV, Intertrust (Netherlands) B.V., Intertrust Administrative Services B.V., Intertrust Management B.V., Intertrust Corporate Services (Cayman) Limited, Intertrust SPV (Cayman) Limited, Intertrust Fiduciary Services (Jersey) Limited and Intertrust International Management Limited.

The 2018 Senior Facilities Agreement includes certain restrictions on, among other things, our ability to pay dividends and make other restricted payments (such as payments in relation to share buybacks). The table below indicates the restrictions to dividends and share buybacks:

Pro forma leverage	Maximum annual dividend / share buyback
> 4.50x	5 00% of Market Capitalisation
3.50x – 4.50x	7.50% of Market Capitalisation
< 3 50x	Unrestricted

21. Other financial assets and other financial liabilities

Financial instruments

Classification and measurement

The Group has applied IFRS 9 as of 1 January 2018. Impact is disclosed in note 3.1.

IFRS 9 contains three principal classification categories for financial assets measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics

Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial asset that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position if, and only if, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.
Loans and receivables comprise loans, trade receivables and other receivables.

FVOCI financial assets

FVOCI financial assets are non-derivative financial assets that are designated as available for sale, or are not classified in any of the above categories of financial assets. FVOCI financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.
When investments in equity instruments do not have a quoted market price in an active market and its fair value cannot be reliably measured, they are measured at cost.

FVOCI financial assets comprise equity shares.

Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities comprise loans and borrowings and trade and other payables.

Derivative financial instruments, including hedge accounting and early redemption option

The Group holds derivative financial instruments to hedge its interest rate risk exposures. Other than the hedges, when the Group issued senior notes with an early redemption option, the option is accounted for and a new derivative financial asset is recognised on fair value. Subsequently the financial liability is amortised through profit and loss. The financial asset is measured subsequently as FVTPL.
Derivatives are initially recognised at fair value; any directly attributable transaction costs are recognised in profit or loss as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value and the accounting for the changes therein depend on whether the derivative is designated as a hedging instrument or not.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is

recognised immediately in profit or loss.
The amount accumulated in equity is retained in other comprehensive income and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss

Other financial assets

Any other non FVOCI and non-derivatives assets are classified as FVTPL.

Impairment

Non-derivative financial assets

Financial assets not classified at fair value through profit or loss including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Financial assets measured at amortised cost

The Group considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified
Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.
In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss

FVOCI financial assets

Impairment losses on FVOCI financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss Changes in cumulative impairment losses attributable to application of the effective interest method are reflected as a component of interest income

If, in a subsequent period, the fair value of an impaired FVOCI debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired FVOCI equity security is recognised to decrease, the decrease in impairment loss is reversed through profit or loss.

21.1. Other financial assets

(EUR 000)	31.12.2018	31.12.2017
Fair value -Hedging instruments		
Interest rate swaps - cash flow hedge assets	-	494
Total fair value - hedging instruments	-	494
Financial instruments at FVTPL		
Early redemption option	817	-
Unquoted equity shares	334	455
Total financial instruments at fair value	1,151	455
Loans and receivables		
Loans and receivables	138	337
Guarantee deposits	1,636	2,939
Total loans and receivables	1,774	3,276
Total other financial assets	2,925	4,225
Total current	521	857
Total non-current	2,404	3,368

Cash flow hedges

See details in other financial liabilities

Financial instruments at fair value through Income Statement

On 14 November 2018 the Group issued senior notes which contains an early redemption option. The option is fair valued through the Income Statement. Initially recognised the value of EUR 1,082 thousand and till year end a fair value adjustment was recognised in the Income Statement amounting to EUR 265 thousand See further details on refinancing in note 20.

Guarantee deposits

Includes guarantee deposits mainly for rent and utility contracts held in banks or non-financial institutions. These funds are restricted.

Unquoted equity shares

Valued at cost and includes participations in non consolidated companies and special purpose companies for EUR 66 thousand (2017 EUR 293 thousand) and shelf companies for EUR 266 thousand (2017: EUR 162 thousand).

None of the "Other financial assets" are past due or impaired.

21.2. Other financial liabilities

(EUR 000)	31.12 2018	31.12.2017
Fair value -Hedging instruments		
Interest rate swaps - cash flow hedge liabilities	1 248	966
Total fair value - hedging instruments	1,248	966
Other loans and payables		
Deferred consideration	3 971	6,250
Total loans and payables	3,971	6,250
Total other financial liabilities	5,219	7,216
Total current	1,555	5,000
Total non-current	3,664	2,216

Cash flow hedges

Includes interest rate swaps to cover part of the fluctuations on the floating interest on the USD and GBP debt. Previous cash flow hedges relating to the previous financing (EUR, GBP and USD debt) were settled and the Group entered into new cash flow hedges for the floating rate debt denominated in USD and GBP. See further details on refinancing in note 20

The USD and GBP hedges were assessed to be effective at inception and at 31 December 2018 Balance sheet positions recognised as assets at 31 December 2018 were nil (2017: EUR 494 thousand), liabilities EUR 1,248 thousand respectively (2017: 966 thousand)

Other loans and payables

Other loans and payables consists of the deferred earn-out estimate on the acquisition of Seed in 2018 and Azcona in 2017 described in note 14.

22. Financial results

Finance income and finance costs

Finance income comprises interest income on loans and receivables, fair value gains on financial assets at fair value through profit or loss and gains on the remeasurement to fair value of any pre-existing interest in an acquiree. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expenses on loans and borrowings, unwinding of the discount on provisions and contingent consideration, fair value losses on financial assets at fair value through profit and loss, impairment losses on financial assets (other than trade receivables) gains and losses on hedging instruments that are recognised in profit or loss and reclassifications of amounts previously recognised in other comprehensive income.

Transaction costs that are directly attributable to the acquisition or issuance of a financial instrument are capitalised to the associate instrument and amortised to the profit or loss over the contractual term using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or loss position

Hedge ineffectiveness recognised in profit or loss also in the financial income or financial costs depending on the movement.

Recognised in profit or loss

(EUR 000)	2018	2017
Net foreign exchange gain	65	1,898
Net change in fair value of derivatives (ineffective cash flow hedge)	-	108
Other financial income	322	187
Finance income	**387**	**2,193**
Interest expense on financial liabilities measured at amortised cost	(31,761)	(27,344)
Net change in fair value of derivatives (ineffective cash flow hedge)	(846)	-
Other financial expense	(714)	(745)
Finance expense	**(33,321)**	**(28,089)**
Financial result	**(32,934)**	**(25,896)**

Interest expense on financial liabilities measured at amortised cost includes the interests on debt of EUR 24,812 thousand (2017: EUR 22,870 thousand). Due to the refinancing, the capitalised financing costs relating to the previous financing structure were recycled to the income statement and the new financing fees were capitalised and started their amortisation from inception. The amortisation of both capitalised financing fees were EUR 6,949 thousand (2017: EUR 4,474 thousand). See further details on refinancing in note 20.

23. Financial instruments

23.1. Financial risk management

Overview

The Group has exposure to the following main risks from its financial instruments credit risk, liquidity risk and market risk (including currency risk and interest rate risk).

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Further information about the risk management of the Group is included in the Compliance and Risk Management chapter of this Annual Report.

23.2. Credit risk

Credit risk is the risk that a counterpart will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk primarily for trade receivables and cash at banks Customer credit risk is managed by each of the Group entities subject to the Group's policy, procedures and control relating to customer credit risk management

Outstanding customer receivables are monitored and followed up continuously. Provisions are made when there is objective evidence that the Group will not be able to collect the debts (indication that the debtor is experiencing significant financial difficulty or default, probability of bankruptcy, problems to contact the clients, disputes with a customer, etc.). Analysis is done on a case by case basis in line with policies.

The cash and cash equivalents and interest receivable are held mainly with banks which are rated "A-" or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd for long term credit rating.

Exposure to credit risk

The gross carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

(EUR 000)	Note	31.12 2018	31.12.2017
Cash and cash equivalents	19	127,803	66,620
Trade receivables	11	90,478	103,103
Work in progress	10	34,228	33,078
Other receivables	13	18,422	18,937
Other financial assets – loans and receivables	21	2,591	3,770
Total		**273,522**	**225,508**

The 'Other financial assets' of EUR 363 thousand (2017: EUR 455 thousand) related to the participations in non-controlling entities and shelf companies have not been included in this analysis

The assets that are exposed to credit risk are held 13.1% by the Netherlands (2017 19.2%), 14.8% by Luxembourg (2017: 12,7%), 30,0% by Americas (2017. 25.3%), 13.1% by Jersey (2017. 10.8%) and the remaining 29.1% (2017 32.1%) by other jurisdictions.

Trade receivables are presented net of a provision for trade receivables.

For trade receivables the Group has determined that the application of IFRS 9's impairment requirements at 1 January 2018 results in an additional allowance for impairment. Credit losses are measured as the present value of all cash shortfalls (i e the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). As a first step the credit risk is measured and analysed on a local level, analysis on recoverability is done on a case by case basis in line with policies Evidence of historical experience demonstrates that debtors, in all ageing categories, have high recoverability ratios. As a second step, the ECL's applied on the remaining balance of trade receivables. The Group has applied the simplified approach to measure the expected credit loss and the lifetime expected loss allowance for trade receivables. ECLs are a probability-weighted estimate of credit losses.

The ageing of trade receivables and the provision for trade receivables at reporting date including movement schedule for the provision for trade receivables is included in note 11.

With respect to the trade receivables that are neither impaired nor past due, there are no indications as of the reporting date that the debtors will not meet their payment obligations.

23.3. Liquidity risk

Liquidity risk includes the risk to a shortage of funds and the risk to encounter difficulty in meeting obligations associated with financial liabilities.

The Group entities prepare their own cash flow forecasts and they are centrally consolidated by Group Finance. Group Finance monitors rolling forecasts of the Group's liquidity requirements, as well as the Group's actual cash and receivables position to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its committed borrowing facilities to ensure that the Group does not breach borrowing limits or covenants.

The Group entities keep the amounts required for working capital management and the excess cash is transferred to Group Finance who defines the best use of these funds (cancellation of loans, deposits, etc)

Access to sourcing of funding is sufficiently available through the revolving credit facility agreement that the Group has with banks (note 20).

Exposure to Liquidity risk

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and net-settled derivative financial liabilities based on contractual undiscounted payments. This analysis includes estimated interest payments and does not consider voluntary prepayments of bank debt that could be possible following the agreements.

			Balance at 31 December 2018			
(EUR 000)	Carrying amounts	Total	Due within 1 year	Due between 1 and 2 years	Due between 2 and 5 years	Due 5 years and more
Loans and borrowings	777,360	(963,655)	(28,910)	(28,886)	(372,156)	(533,703)
Trade payables and other payables	89,382	(89,382)	(89,382)	-	-	-
Interest rate swaps used for hedging	1,248	(1,303)	(314)	(297)	(692)	-
Total	**867,990**	**(1,054,340)**	**(118,606)**	**(29,183)**	**(372,848)**	**(533,703)**

			Balance at 31 December 2017			
(EUR 000)	Carrying amounts	Total	Due within 1 year	Due between 1 and 2 years	Due between 2 and 5 years	Due 5 years and more
Loans and borrowings	770,742	(859,197)	(22,590)	(23,232)	(813,375)	-
Trade payables and other payables	73,398	(73,398)	(73,398)	-	-	-
Interest rate swaps used for hedging	966	(283)	(730)	4	443	-
Total	**845,106**	**(932,878)**	**(96,718)**	**(23,228)**	**(812,932)**	**-**

The flows expected for interest rate swaps will affect profit and loss in the same period as they are expected to occur.

23.4. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group's exposure to the risk of changes in exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's presentation currency). The exposures are mainly with respect to the US dollars (USD) and Pound sterling (GBP). The loans and borrowings of the Group are denominated in GBP and USD, the notes are denominated in EUR. The objective is to partly match the main cash flows generated by the underlying operations of the Group with the debt which provides an economic hedge.

At 31 December 2018, the face value of the USD designated loan on the Group's investment in its Cayman subsidiary partially hedged was EUR 174,672 thousand (2017: EUR 83,382 thousand). The USD loan is designated as a net investment hedge. No ineffectiveness was recognised from the net investment hedge.

Similarly to the Cayman investment and the USD denominated bank loans relation, the Company identified effective relations between the Jersey investment and its GBP denominated bank loans, therefore the loan is fully designated as a hedge relation which also mitigates a portion of the foreign currency translation risk arising from the subsidiary's net assets.

As at 31 December 2018, the face value of the GBP designated loan was EUR 111,791 thousand (2017: EUR 105,948 thousand).

The GBP loan is designated as a net investment hedge. No ineffectiveness was recognised from the net investment hedge.

The Group's investments in other subsidiaries are not hedged.

Exposure to currency risk

The group has mainly currency exposure in USD and GBP, as presented on the following page:

(EUR 000)	31.12.2018		31.12.2017	
	USD	GBP	USD	GBP
Cash and cash equivalents	11,810	1,524	8,307	381
Trade and other receivables	1,631	81	955	13
Loans and borrowings	(174,672)	(111,791)	(83,382)	(105,948)
Trade and other payables	(344)	(174)	(32)	(125)
Net statement of financial position exposure	**(161,575)**	**(110,360)**	**(74,152)**	**(105,679)**

The following significant exchange rates have been applied:

	Reporting date spot rate 31 12 2018	Average rate 2018
USD	1 1450	1 1810
GBP	0.8945	0.8847

	Reporting date spot rate 31.12.2017	Average rate 2017
USD	1 1993	1.1297
GBP	0.8872	0.8767

Sensitivity analysis

(EUR 000)	2018 Effect in profit or loss		2018 Effect in Equity	
	EUR Strengthening	EUR Weakening	EUR Strengthening	EUR Weakening
USD (10% movement)	(4,056)	4 056	9 413	(9,413)
GBP (10% movement)	(3 192)	3,192	7,469	(7,469)

	2017 Effect in profit or loss		2017 Effect in Equity	
	EUR Strengthening	EUR Weakening	EUR Strengthening	EUR Weakening
USD (10% movement)	(4,097)	4,097	6,721	(6,721)
GBP (10% movement)	(3,250)	3,250	9,583	(9,583)

A 10 percent strengthening of the USD and the GBP against all other currencies at 31 December 2018 would have affected the value of financial assets and liabilities denominated in foreign currency and affected equity and profit or loss by the amounts shown above. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Interest rate risk

The risk relates to the Group's long term debt obligations with floating interest rates. To manage this risk, the Company entered into interest rate swaps.

Exposure to interest rate risk

At the reporting date the interest rate profile of the interest bearing financial instrument was:

(EUR 000)	31.12.2018 Carrying amount	31.12.2017 Carrying amount
Fixed rate instruments		
Financial liabilities	(500,000)	-
Total fixed rate instruments	**(500,000)**	**-**
Variable rate instruments		
Financial assets	55,488	31,113
Financial liabilities	(286,463)	(777,525)
Loans and borrowings hedged	143 232	331,738
Total net unhedged variable rate instruments	**(87,743)**	**(414,674)**

Financial assets mainly include cash in bank accounts with interest bearing rates.

In November 2018 the EUR denominated interest rate swaps were terminated as the hedged term loans were repaid. In December 2018 the GBP and USD denominated interest rate swaps were terminated and replaced by new GBP and USD interest rate swaps, with maturity dates and interest payment dates linked to the new senior facilities agreement. The interest rate swaps cover 50% of the floating interest rates on the loans and borrowings. The senior notes have a fixed interest rate.

Sensitivity analysis for variable rate instruments

An increase of 50 basis points in interest rates on loans and borrowings would have decreased the profit and loss before tax by EUR 716 thousand (2017 EUR 118 thousand) A decrease of 50 basis points in interest rates on loans and borrowings would have increased the profit and loss before tax by EUR 716 thousand (2017. EUR 714 thousand increase).

The sensitivity of interest to movements in interest rates is calculated on floating rate exposures on debt, net of interest rate swaps. This analysis assumes that all other variables remain constant.

23.5. Capital management

The capital structure of the Group consists of shares and share premium and bank borrowings. The objective of the Group's capital management is to ensure that it maintains healthy debt ratios in order to support its business and face the obligations with banks.

The Group's target is to reach a Leverage ratio around 3 0x. This Leverage ratio might be higher depending on potential acquisitions. The bank borrowings are subject to covenants that are tested bi-annually. For more information, see note 20.

23.6. Fair values of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31.12.2018		Carrying amounts					Fair value	Fair value
(EUR 000)	Note	Fair value through profit and loss	Financial assets at amortised cost	Fair value – Hedging instruments	Other financial liabilities	Total	Level 1	Level 2
Financial assets measured at fair value								
Early redemption valuation adjustment	21	817	-	-	-	817	-	817
Total		**817**	-	-	-	**817**	-	**817**
Financial assets not measured at fair value								
Loans and receivables	21	-	1,774	-	-	1,774	-	-
Unquoted equity shares	21	-	334	-	-	334	-	-
Trade receivables	11	-	90,478	-	-	90,478	-	-
Other receivables	13	-	18,422	-	-	18,422	-	-
Work in progress	10	-	54,228	-	-	54,228	-	-
Cash and cash equivalents	19	-	127,803	-	-	127,803	-	-
Total		-	**273,039**	-	-	**273,039**	-	-
Financial liabilities measured at fair value								
Secured loans and borrowings	20	-	-	-	777,360	777,360	493,965	270,882
Interest rate swaps – cash flow hedge	21	-	-	1,248	-	1,248	-	1,248
Total		-	-	**1,248**	**777,360**	**778,608**	**493,965**	**272,130**
Financial liabilities not measured at fair value								
Trade payables		-	-	-	8,375	8,375	-	-
Other payables	13	-	-	-	81,007	81,007	-	-
Total		-	-	-	**89,382**	**89,382**	-	-

1 For further details on the early redemption option valuation see note 21.1

31.12.2017		Carrying amounts					Fair value	Fair value
(EUR 000)	Note	Fair value through profit and loss	Financial assets at amortised cost	Fair value – Hedging instruments	Other financial liabilities	Total	Level 1	Level 2
Financial assets measured at fair value								
Interest rate swaps – cash flow hedge	21	–	–	494	–	494	–	494
Total		–	–	494	–	494	–	494
Financial assets not measured at fair value								
Loans and receivables	21	–	3,276	–	–	3,276	–	–
Unquoted equity shares	21	–	455	–	–	455	–	–
Trade receivables	11	–	103,103	–	–	103,103	–	–
Other receivables	13	–	18,937	–	–	18,937	–	–
Work in progress	10	–	33,078	–	–	33,078	–	–
Cash and cash equivalents	19	–	66,620	–	–	66,620	–	–
Total		–	225,469	–	–	225,469	–	–
Financial liabilities measured at fair value								
Secured loans and borrowings	20	–	–	–	770,742	770,742	–	776,830
Interest rate swaps – cash flow hedge	21	–	–	966	–	966	–	966
Total		–	–	966	770,742	771,708	–	777,796
Financial liabilities not measured at fair value								
Trade payables		–	–	–	6,625	6,625	–	–
Other payables	13	–	–	–	66,773	66,773	–	–
Total		–	–	–	73,398	73,398	–	–

Level 1

The fair value of the senior notes is based on fair value from the stock exchange as at 31 December 2018 and reflects the credit risk of the instrument.

Level 2

The fair values of the interest rate swaps are based on broker quotes and is calculated as the present value of the estimated future cash flows based on observable yield curves. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate. The early redemption option is valued at initial recognition on fair value. The call option is within the bond represents an embedded derivative that is separated from the host contract and accounted for as a derivative. Fair value is determined as callable bond value equal to the sum of the straight bond value and the call option value. Subsequently the option is valued FVTPL.

There are level 1 and level 2 fair values. No transfers between levels were applicable in 2018 and 2017 however the level 2 fair values at the end of 2018 represent the fair values of the secured loans after refinancing and the interest rate swaps. The level 1 fair value at the end of 2018 represent the market value of the senior notes. In 2017 there were no level 1 items.

24. Capital and reserves

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Repurchase and reissue of ordinary shares (treasury shares)

When shares are repurchased, those are recognised as a debit to equity for the amount of the consideration paid, which includes directly attributable costs and is net of any tax effects. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to or from retained earnings.

Dividends

Dividends are recognised as a liability in the period in which they are declared

24.1. Share capital

The subscribed capital is 89,755,202 shares as at 31 December 2018 which is 2,244,190 shares less compared to year end of 2017 due to cancellation of shares as at 25 September 2018. Nominal value per share of EUR 0.60 did not change since 31 December 2017.

The movements of the year were:

Ordinary shares	*In number of shares*		*(EUR 000)*	
	2018	2017	2018	2017
Issued ordinary shares at 01 January	91,999,392	91,999,392	55,200	55,200
Share cancellation	(2,244,190)	-	(1,347)	-
On issue at end of period – fully paid	**89,755,202**	**91,999,392**	**53,853**	**55,200**

24.2. Share premium

At 31 December 2018 the share premium amounts to EUR 630,441 thousand, unchanged compared to 31 December 2017 When the Group cancelled it's own shares, the amount above the nominal value of the shares were accounted in retained earnings, therefore there were no movements during this financial year in the share premium in EUR values:

	In number of shares		*(EUR 000)*	
	2018	2017	2018	2017
Issued ordinary shares at 01 January	91,999,392	91,999,392	630,441	630,441
Share cancellation	(2,244,190)	-	-	-
On issue at end of period – fully paid	**89,755,202**	**91,999,392**	**630,441**	**630,441**

24.3. Retained earnings

The retained earnings include accumulated profits and losses, plus remeasurements of defined benefit liability (asset) and equity-settled share-based payment.

The following dividends were declared and paid by the Company for the year.

(EUR 000)	2018	2017
Final dividend for 2016 of EUR 0.25 per qualifying ordinary share		22,535
Interim dividend for 2017 of EUR 0.28 per qualifying ordinary share		25,755
Final dividend for 2017 of EUR 0.33 per qualifying ordinary share	29,401	
Interim dividend for 2018 of EUR 0.30 per qualifying ordinary share	26,770	
Total dividend declared and paid	**56,171**	**48,290**

For 2018, a total dividend of EUR 0.62 per share (2017: EUR 0.61 per share) will be proposed at the Annual General Meeting. If approved, a final dividend of EUR 0.32 per share (2017: EUR 0.33 per share) will be paid on 7 June 2019, and an interim dividend of EUR 0.30 per share (2017: EUR 0.28 per share) was paid on 30 November 2018. The payment will be subject to 15% Dutch withholding tax.

After the reporting date, the above mentioned dividends were proposed by the Management Board. The dividends, taking into account the interim dividends declared and paid, have not been recognised as liabilities.

24.4. Reserves

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations (2018: EUR 14,858 thousand gain; 2017: EUR 65,284 thousand loss) and foreign currency differences arising on the revaluation of financial liabilities designated as a hedge of net investment, to the extent that the hedge is effective (2018: EUR 3,266 thousand loss; 2017: EUR 16,220 thousand gain).

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss.

Treasury share reserve

The treasury share reserve comprises the costs of the Company's shares held by the Group. At 31 December 2018, the Group held 523,354 of the Company's shares (2017: 952,137).

Other reserve

The other reserve included equity instrument recognised under the Elian business combination transaction (deferred consideration in shares) as at 31 December 2016 which were delivered from treasury share reserve 12 months and 10 business days post closing of the acquisition disclosed in our 2017 Annual Report. Closing balances of 2017 and 2018 are nil.

25. Non-controlling interests

Non-controlling interests

Non-controlling interests are measured either at their proportionate share of the acquiree's identifiable net assets or at fair value at the acquisition date. The choice of measurement is made on an acquisition-by-acquisition basis.

In 2017, non-controlling interests were related to ATC (Switzerland) S.à r.l. (ownership 51%), ATC Corporate Services (Zug) GmbH (ownership 51%), LBL data services B.V. (ownership 50%) and Structured Finance Management (Spain), S.L. (ownership 75%).

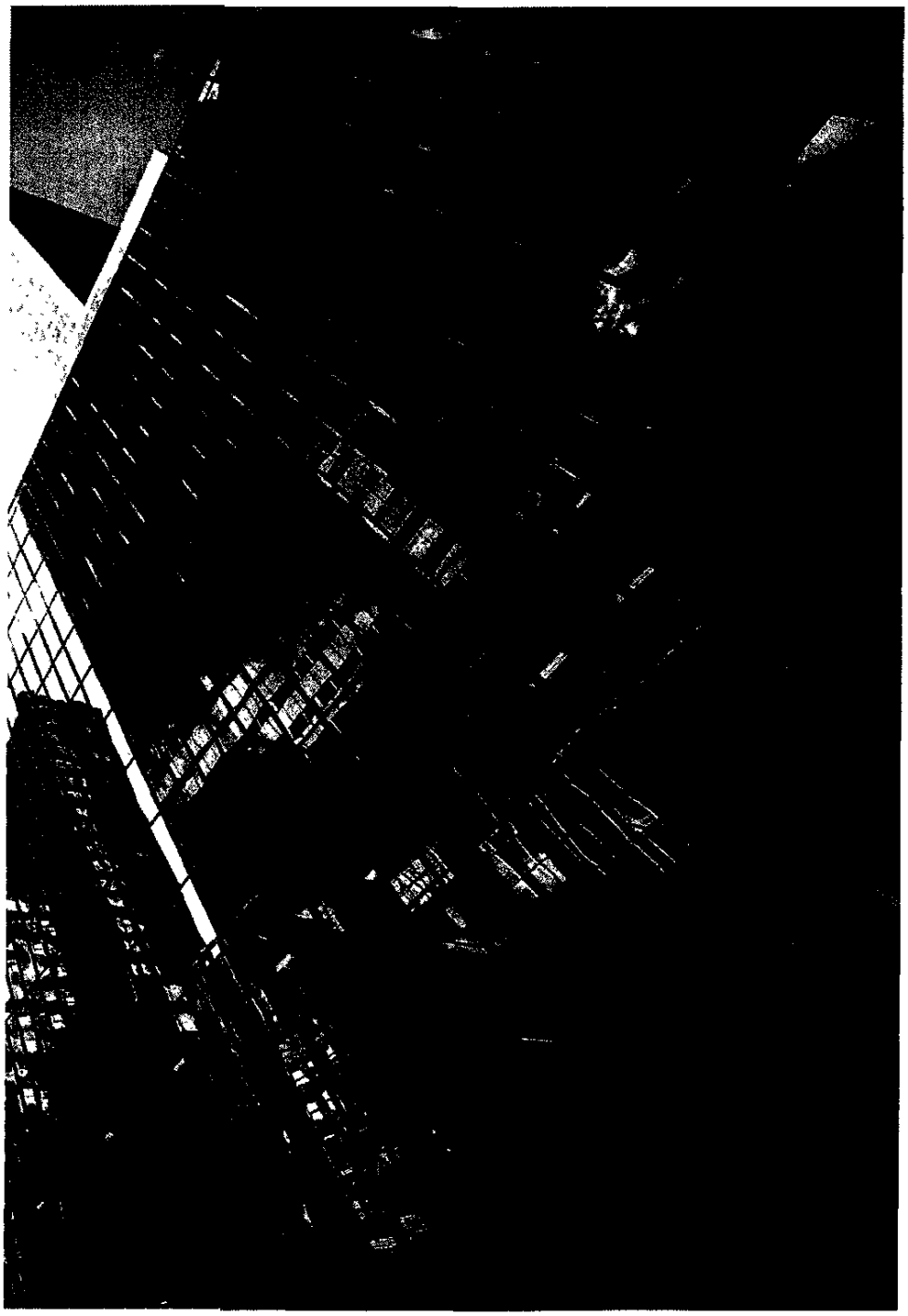
In February 2017, the Group purchased the remaining stake in Structured Finance Management (Spain), S.L. and became 100% owner.

In December 2017 the 51% ownership in ATC (Switzerland) S.à r.l. was sold and the remaining stake in ATC Corporate Services (Zug) GmbH was acquired from the minority owner. The relevant cash flows are presented in the consolidated statement of cash flows.

The Group retained at the end of 2018 compared to the end of 2017 the same ownership in LBL data services B.V. (ownership 50%) which is not material for the Company.

Section 6
Other disclosures

This section includes the notes on taxes, employee benefits, provisions, commitments and contingent liabilities, remunerations of members of the Management Board and the Supervisory Board, related party transactions and auditor's remuneration.



ETR
8.6%

Single largest shareholding
7.07%

26. Income tax expense

Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available, against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered

26.1. Income tax recognised in profit or loss

(EUR 000)	2018	2017
Current year	(21,304)	(25,531)
Prior years	(261)	1,126
Current tax (expense)/gain	**(21,565)**	**(24,405)**
Origination and reversal of temporary differences	2,908	3,939
Impact of enacted tax rate changes on deferred tax position	9,342	-
Recognition of previously unrecognised tax losses	296	1,604
Change in recognised deductible temporary differences	611	(31)
Deferred tax gain/(expense)	**13,157**	**5,512**
Income tax (expense)/gain for continuing operations	**(8,408)**	**(18,893)**

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

In 2017, income tax previous year includes an adjustment in relation to tax expense accounted as integration cost of EUR 353 thousand and as such is excluded from the adjusted net income.

In 2018, the impact of tax rate changes mainly impacted our deferred tax positions by EUR 9,342 thousand.

26.2. Tax recognised in other comprehensive income

(EUR 000)	2018	2017
Cash flow hedges	132	(261)
Defined benefit plan actuarial gains (losses)	154	-
Income tax expense recognised in OCI	**286**	**(261)**

26.3. Reconciliation of effective tax rate

(EUR 000)		2018		2017
Profit for the year		89,391		88,681
Total income tax expense		(8,408)		(18,893)
Profit before income tax		**97,799**		**107,574**
Income tax using the Company's domestic tax rate	25.00%	**(24,450)**	25.00%	**(26,894)**
Effect of tax rates in foreign jurisdictions		8,958		10,438
Changes in income tax rates		9,342		-
Non deductible expenses		(3,113)		(7,221)
Tax exempt income		646		2,357
Change in recognised deductible temporary differences		611		(31)
Recognition of previously unrecognised tax losses		296[2]		1,604
Current year losses for which no deferred tax has been recognised		(372)[3]		(87)
(Under) over provided in previous years		(261)		1,126
Others		(35)		(185)
Effective income tax	8.6%	**(8,408)**	17.6%	**(18,893)**

1 In 2018 deferred tax expenses contain EUR 9,342 thousand income due to expected income tax rate changes in jurisdictions where our intangible assets relate to. The net beneficial impact of these changes is reflected in the 2018 effect of tax rate changes. The adjusted effective tax rate (i.e. without taking these tax rate changes into account) is 18.2%

2 The difference compared to prior year relates to a large extent to the lower amount of previously unrecognized tax losses that have been recognized in 2018 (EUR 1,308 thousand lower deferred tax benefit compared to 2017)

3 The difference compared to prior year relates to a higher amount of current year tax losses for which no deferred tax asset was recognized (EUR 295 thousand higher deferred tax expense compared to 2017)

Our adjusted net income contains adjusting tax items for an amount of EUR 10,301 thousand benefit, mainly related to the effect of the change in income tax rates. See note 27.3 for more details.

27. Deferred tax assets and liabilities

27.1. Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of tax losses for EUR 10,163 thousand (2017: EUR 6,170 thousand). Tax losses for an amount of EUR 5,333 thousand (2017: EUR 977 thousand) will expire in the next 5 years and EUR 4,830 thousand (2017: EUR 5,193 thousand) do not expire. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group entities can utilise the benefits.

27.2. Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following

(EUR 000)	Balance at 31 December 2018		Balance at 31 December 2017	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	192	-	33	-
Intangible assets	309	(64,595)	1	(80,374)
Loans and borrowings	-	(4,463)	-	-
Other non-current financial assets or liabilities	122	-	118	(31)
Other items	332	(272)	126	-
Tax loss carry-forwards	1,204	-	1,079	-
Total	2,159	(69,330)	1,357	(80,405)

27.3. Movements in temporary differences during the period

(EUR 000)	Balance at 01 January 2018	Acquired in business combinations	Recognised in profit or loss	Recognised in OCI[1]	Effect of foreign exchange differences	Balance at 31 December 2018
	Net					Net
Property, plant and equipment	33	74	86	-	(1)	192
Intangible assets	(80,373)	-	15,967	-	120	(64,286)
Loans and borrowings	-	(1,392)	(3,071)	-	-	(4,463)
Other non-current financial assets or liabilities	87	-	(97)	132	-	122
Employee benefits liabilities	-	-	(154)	154	-	-
Other items	126	(378)	309	-	3	60
Tax loss carry-forwards	1,079	-	117	-	8	1,204
Total	**(79,048)**	**(1,696)**	**13,157**	**286**	**130**	**(67,171)**

(EUR 000)	Balance at 01 January 2017	Acquired in business combinations	Recognised in profit or loss	Recognised in OCI[1]	Effect of foreign exchange differences	Balance at 31 December 2017
	Net					Net
Property, plant and equipment	119	-	(86)	-	-	33
Intangible assets	(85,441)	-	6,179	-	(1,111)	(80,373)
Other non-current financial assets or liabilities	409	-	(58)	(108)	(156)	87
Other items	(181)	-	247	-	60	126
Tax loss carry-forwards	1,915	-	(770)	-	(66)	1,079
Total	**(83,179)**	-	**5,512**	**(108)**	**(1,273)**	**(79,048)**

1 Other comprehensive income ("OCI")

In 2018 deferred tax assets and respectively deferred tax expenses contain EUR 9,342 thousand income due to expected income tax rate changes in jurisdictions where our intangible assets relate to and where we amortise our capitalised financing fees, therefore this income is accounted as adjusting item and excluded from the adjusted net income. In addition to this, we added EUR 959 thousand as an adjusting item, which relates to the released capitalised financing fees of the old financing agreement. See more details in note 26.3.

28. Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

To calculate the present value of economic benefits consideration is given to any minimum funding requirements that apply to any plan in the Group. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income.

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability/(asset), taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefits payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

The Group sponsors defined benefit pension plans in Switzerland. In most other countries, employees are provided with benefits under defined contribution plans. All pension plans comply with local tax and legal restrictions in their respective country, including funding obligations.

The Swiss pension plan is managed by an independent, legally autonomous entity which has the legal structure of a foundation, according to Swiss Federal Law on Occupational Retirement, Survivors and Disability (LPP). All benefits in accordance with the regulations are reinsured in their entirety with an insurance company. The foundation provides benefits on a defined contribution basis. All employees are participants to the plan and are insured against the financial consequences of old age, disability and death. The insurance benefits are subject to regulations, with the LPP specifying the minimum benefits that are to be provided. The employer and employees pay contributions to the pension plan at rates set out in the foundation rules based on a percentage of salary. The amount of the retirement account can be taken by the employee at retirement in the form of pension or capital. The risk of disability, death and longevity are covered by the insurance company. The insurance company invests the vested pension capital and provides a 100% capital and interest guarantee. Even if actuarial and investment risks are covered by an insurance company, this plan is considered under IAS 19 as a defined benefit plan because the employer remains exposed to termination contract risks.

The Group has also agreed to provide certain additional post-employment medical benefits to senior employees in Curacao. These benefits are unfunded and the contributions equal the insurance premiums paid.

The Group expects EUR 349 thousand in contributions to be paid to its defined benefit plans in 2019.

28.1. Amounts recognised in the consolidated statement of financial position

(EUR 000)	31.12.2018	31.12.2017
Net defined liability – Pension	784	1,790
Net defined liability – Medical	145	173
Total employee benefits liabilities	**929**	**1,963**

28.2. Movement in the net defined benefit liability

The following table shows a reconciliation from the opening balance to the closing balance for the net defined benefit liability and its components.

(EUR 000)	2018			2017		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability
Balance at 01 January	5,281	3,317	1,963	8,806	5,791	3,014
Included in profit or loss						
Current service cost	473	–	473	704	–	704
Past service cost	(470)	–	(470)	(1,093)	–	(1,093)
Interest cost	43	–	43	49	34	15
Administration costs	22	–	22	31	–	31
Total	**68**	**–**	**68**	**(309)**	**34**	**(343)**
Included in OCI						
Remeasurements loss/(gain)						
– Actuarial loss/(gain) arising from						
[2]financial assumptions	(125)	–	(125)	(109)	–	(109)
[3]experience adjustment	(743)	–	(743)	304	–	304
Return on plan assets excluding interest income	–	(24)	24	–	29	(29)
Effect of movements in exchange rates	26	26	1	(582)	(371)	(211)
Total	**(842)**	**2**	**(843)**	**(387)**	**(342)**	**(45)**
Other						
Contributions paid by the plan participants	664	664	–	1,224	1,224	–
Contributions paid by the employer	–	355	(355)	–	420	(420)
Benefits paid	(2,911)	(3,007)	96	(4,053)	(3,810)	(243)
Total	**(2,247)**	**(1,988)**	**(259)**	**(2,829)**	**(2,166)**	**(663)**
Balance at 31 December	**2,260**	**1,331**	**929**	**5,281**	**3,317**	**1,963**

1 Relating to restructuring in Switzerland

28.3. Plan assets

The plan assets comprise

(EUR 000)	31.12.2018	31.12.2017
Insurance contracts	1 328	3,301
Cash	3	16
Total	1,331	3,317

None of the plan assets are quoted on an active market.

28.4. Actuarial assumptions

The principal assumptions used in determining pension and post-employment medical benefit obligations at the reporting date are.

	31 12.2018	
	Switzerland	Curaçao
Discount rate 31 December	1.00%	5.00%
Future salary increases	1 00%	-
Medical cost trend rate	-	2 00%

	31.12.2017	
	Switzerland	Curaçao
Discount rate 31 December	0.70%	5.00%
Future salary increases	1.00%	-
Medical cost trend rate	-	2 00%

Longevity is reflected in the defined benefit obligation by using mortality tables of the respective countries in which the plans are located.

Expressed in years	31.12.2018
	Switzerland
Longevity at age 65 for current pensioners	
- Males	22 4
- Females	25 4
Longevity at age 65 for current members aged 45	
- Males	23 9
- Females	26.9

Expressed in years	31.12.2017
	Switzerland
Longevity at age 65 for current pensioners	
- Males	22 4
- Females	25.4
Longevity at age 65 for current members aged 45	
- Males	23.9
- Females	26.9

The weighted-average duration of the defined benefit obligation was as follows.

Expressed in years	31.12.2018	31.12.2017
Switzerland	20 2	20.5

28.5. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions consistent, would have affected the defined benefit obligation by the amounts shown below:

(EUR 000)	Increase	Decrease
2018		
Impact of 1% change in the discount rate	(231)	529
Impact of 1% change in the future salary increases	(38)	(137)
Impact of 1% change in the future pension increases	77	-
Impact of 1% change in the medical cost trend rate	-	-
Impact of 1 year change in the life expectancy	(58)	(122)
2017		
Impact of 1% change in the discount rate	(908)	1,253
Impact of 1% change in the future salary increases	152	(139)
Impact of 1% change in the future pension increases	455	-
Impact of 1% change in the medical cost trend rate	23	(19)
Impact of 1 year change in the life expectancy	81	(84)

Although the analysis does not take into account the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

All sensitivities are calculated using the same actuarial method as for the disclosed present value of the defined benefit obligations at period-end.

29. Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the impact of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Legal matters

A provision is recognised to cover the costs for legal proceedings or legal requirements, in those cases where a probable outflow of cash is identified.

Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

Onerous contracts

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with the contract.

(EUR 000)	Legal matters	Restructuring	Onerous contracts	Others	TOTAL
Balance at 01 January 2017	161	268	2,557	380	3,366
Provisions made during the period	2,220	55	262	102	2,639
Provisions used during the period	(1,894)	(162)	(1,233)	(1)	(3,290)
Provisions reversed during the period	(58)	(108)	(1,311)	(27)	(1,504)
Effect of movements in exchange rates	(2)	(17)	(87)	(29)	(135)
Balance at 31 December 2017	427	36	188	425	1,076
Current	102	36	188	171	497
Non-current	325	-	-	254	579
Balance at 31 December 2017	427	36	188	425	1,076
Balance at 01 January 2018	427	36	188	425	1,076
Provisions made during the period	74	8,535	395	554	9,558
Provisions used during the period	(333)	(4,348)	(302)	-	(4,983)
Provisions reversed during the period	(126)	(705)	-	-	(831)
Effect of movements in exchange rates	-	17	7	(20)	4
Balance at 31 December 2018	42	3,535	288	959	4,824
Current	39	3,535	229	322	4,125
Non-current	3	-	59	637	699
Balance at 31 December 2018	42	3,535	288	959	4,824

Provision for legal matters

Provisions for legal matters have been recognised to cover costs related to claims filed against the Company.

Provision for restructuring

Provisions for restructuring have been recognised due to a headcount alignment program in 2018. In 2017 the restructuring provisions largely related to integration.

Provision for onerous contracts

Provisions for onerous contracts have been recognised for operating leases for premises or part of those premises that are no longer being used by affiliates in different countries following the reorganisation after the acquisition of Elian or restructuring aim of key management. All are expected to be released in 2019 except for EUR 59 thousand which is on longer term

30. Operating leases

The Group principally enters into operating leases for the rental of equipment and buildings. Payments done under such leases are typically charged to profit or loss on a straight line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be done to the lessor by way of penalty is recognised as an expense in the period in which termination takes place. Any incentives received from the lessor in relation to operating leases are recognised as a reduction of rental expense over the lease term on a straight line basis

30.1. Leases as lessee

The Group has entered into commercial leases on certain motor vehicles and items of office equipment. These leases have an average life of between less than 1 year and 5 years with no renewal option included in the contracts.

The Group has entered into leases for rental agreements in different countries. The leases run for a period between less than 1 year and 15 years.

Lease payments are increased with specific amounts and frequency depending on the different agreements.

There are no restrictions placed upon the Group by entering into these leases

Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:

(EUR 000)	31.12 2018	Not later than one year	Between one and five years	Later than five years
Leased machinery and equipment	2 547	1 103	1 255	187
Leased real estate	61 174	17 421	34,760	8 993
Total	**63,721**	**18,526**	**36,015**	**9,180**

	31.12.2017	Not later than one year	Between one and five years	Later than five years
Leased machinery and equipment	2,723	1,075	1,481	167
Leased real estate	53,679	18,052	35,588	39
Total	**56,402**	**19,127**	**37,069**	**206**

During the period an amount of EUR 20,451 thousand (2017. EUR 21,144 thousand) was recognised as an expense in profit or loss in respect of operating leases. Total rental expenses reported in statement of profit or loss includes utilities, maintenance and repairs expenses.

As of 1 January 2019, the Group introduces a new standard on leases See note 3 1 for more details.

30.2. Leases as lessors

Some affiliates have entered into sublease contracts of office space.

Future minimum rental receivables under non-cancellable operating leases as at 31 December are as follows

(EUR 000)	31.12.2018	Not later than one year	Between one and five years	Later than five years
Leased real estate	12 222	2,856	6,440	2,927
Total	**12,222**	**2,856**	**6,440**	**2,927**

	31 12 2017	Not later than one year	Between one and five years	Later than five years
Leased real estate	7,307	2,832	4,475	-
Total	**7,307**	**2,832**	**4,475**	**-**

During the period an amount of EUR 5,195 thousand (2017 EUR 5,217 thousand) were included in revenues related to income from sublease contracts.

As of 1 January 2019, the Group introduces a new standard on leases See note 3 1. for more details.

31. Commitments

The Group is committed to incur IT operational expenditure mainly related to managed communication networks and outsourced activities of EUR 18,596 thousand (2017: EUR 19,050 thousand) spread over the next five years.

32. Contingencies

There are a number of claims against the Group. We concluded that an aggregate amount of the claims (including tax and HR related) against the Group cannot be reliably measured and we consider that the possibility of outflow is remote. Where necessary, legal and/or external advice has been obtained and, in light of such advice, the risk of litigation is provided adequately.

33. Related parties

During 2018, The Blackstone Group LP ("Blackstone") sold off a large portion of their shares and as at 31 December 2018 holds below 10% remaining shares in the Group, however they kept their representation on the Supervisory Board, therefore they are disclosed as a related party in the Group's financials.

The Group has provided services to some entities related to the Blackstone Group during the year. These services are in the normal course of business and at arm's length basis.

(EUR 000)	Transaction values for the year ended 31 December		Balance outstanding as at	
	2018	2017	31.12 2018	31.12.2017
Revenue	10,956	7,328	3,041	2,736

33.1. Parent and ultimate controlling party

Prior to the listing at the Euronext Amsterdam on 15 October 2015, the Company was ultimately controlled by funds managed by Blackstone Group LP which had the majority shareholding in the Group. The remaining shares were owned by parties related to management. Following the IPO, the Company is the new ultimate controlling party.

33.2. Transactions with key management personnel

The Group has defined key management personnel as the members of the 2018 Supervisory Board, Management Board and Executive Committee of the Group, responsible for the strategic and operational activities

Key management personnel compensation

Key management personnel compensation comprises:

(EUR 000)	2018	2017
Short-term employee benefits	6 262	3,827
Post-employment benefits	133	170
Share-based payment[1]	909	670
Other benefits[2]	700	206
Total	8 004	4,873

1 *This includes the expenses recognised by the Group related to the EOP and LTIP awards made to key management personnel (Note 7)*

2 *This included termination benefits*

Management Board

For the individual members of the Management Board, the Group recognised the following remuneration expenses:

(EUR 000)	2018 remuneration				
	Base salary	Other benefits	Short-term incentive[3]	Deferred remuneration	Total
Stephanie Miller	496	104	352	225	1,177
Hans Turkesteen	83	4	38	21	146
Henk Pieter van Asselt[4]	350	373	250	222	1,195
David de Buck[5]	37	4	-	28	69
Total	**966**	**485**	**640**	**496**	**2,587**

(EUR 000)	2017 remuneration				
	Base salary	Other benefits[1]	Short-term incentive[2]	Deferred remuneration	Total[3]
David de Buck	350	50	250	420	1,070
Ernesto Traulsen[6]	197	117	-	15	329
Maarten de Vries[7]	481	140	-	-	621
Henk Pieter van Asselt	50	3	37	25	115
Total	**1,078**	**310**	**287**	**460**	**2,135**

1 Other benefits include life course compensation, car allowance, relocation or other allowances such as termination benefits when applicable, and pension compensation
2 Short-term remuneration represents accrued bonuses to be paid in the following financial year
3 All members remunerations are presented from and to the period they were part of the Management Board
4 Resigned and as of the AGM on 16 May 2019 will leave the Management Board
5 Effective 22 January 2018 Stephanie Miller replaced David de Buck as Intertrust's CEO. David de Buck remained employed by Intertrust up to 17 May 2018
6 Resigned per 16 January 2017
7 Resigned per 31 December 2017

(EUR 000)	2018 deferred remuneration			
	EOP[1]	LTIP	Pension costs	Total
Stephanie Miller	-	101	124	225
Hans Turkesteen	-	-	21	21
Henk Pieter van Asselt	94	112	16	222
David de Buck[2]	29	(5)	4	28
Total	**123**	**208**	**165**	**496**

(EUR 000)	2017 deferred remuneration			
	EOP[1]	LTIP[1]	Pension costs	Total
David de Buck	323	82	15	420
Ernesto Traulsen	-	-	15	15
Maarten de Vries	-	-	-	-
Henk Pieter van Asselt	17	7	1	25
Total	**340**	**89**	**31**	**460**

1 Represents the expense recognised during the year in accordance with IFRS 2, Share-based Payment related to the EOP and LTIP awards
2 EOP accelerated vested on 1 May 2018 with the approval of the Supervisory Board

The Management Board EOP awards outstanding and movements during the financial year were

	Award date	Outstanding as at 1 Jan 2018	Movements in 2018[1]	Outstanding as at 31 Dec 2018	Fair value per share at grant date (EUR)	Vesting date
David de Buck						
EOP - Matching shares	19 Oct 2015	50,013	(50,013)	-	n.a	1 May 2018
Henk Pieter van Asselt						
EOP - Matching shares	19 Oct 2015	25,006	(25,006)	-	n.a	19 Oct 2018

	Award date	Outstanding as at 1 Jan 2017	Movements in 2017	Outstanding as at 31 Dec 2017	Fair value per share at grant date (EUR)	Vesting date[2]
David de Buck						
EOP - Matching shares	19 Oct 2015	50,013	-	50,013	14.28	1 May 2018[3]
Ernesto Traulsen[4]						
EOP - Matching shares	19 Oct 2015	12,503	(12,503)	-	14.28	19 Oct 2018
Henk Pieter van Asselt						
EOP - Matching shares	19 Oct 2015	-	25,006	25,006	14.28	19 Oct 2018

1 The movements are caused by the following changes to the Management Board during the year. EOP shares vested in 2018

2 Following the vesting date, the EOP shares granted to members of the Management Board are subject to an additional two-year lock up period, except for the EOP shares that can be sold to cover income taxes due

3 As per agreement with the Supervisory Board, the vesting of the EOP shares of David de Buck changed from 19 October 2018 to 1 May 2018 as disclosed in the 2018 movements above

4 Vesting of 9,000 EOP shares for Ernesto Traulsen gained again their vesting rights as per original vesting date 19 October 2018

Upon vesting of the share-based payment awards to the members of the Management Board and other eligible employees, the Company may at its discretion make the required number of Ordinary Shares available either by issuing new Ordinary Shares or by purchasing existing Ordinary Shares in the open market.

The LTIP awards of 2018 for the members of the Management Board were set by the Supervisory Board of the Company on 31 March 2018. The Management Board LTIP awards outstanding and movements during the financial year were:

	Award date	Outstanding as at 1 Jan 2018	Granted in 2018	Movements in 2018[1]	Outstanding as at 31 Dec 2018	Fair value per share at grant date (EUR)	Vesting date[2]
Stephanie Miller[3]							
LTIP shares	1 Apr 2018	-	28,534	-	28,534	14.86	1 Apr 2021
David de Buck[4]							
LTIP shares	1 Apr 2017	4,000	-	(4,000)	-	16.03	1 Apr 2020
LTIP shares	1 Apr 2016	4,925	-	(4,925)	-	17.95	1 Apr 2019
Henk Pieter van Asselt							
LTIP shares	1 Apr 2018	-	10,000	-	10,000	14.86	1 Apr 2021
LTIP shares	1 Apr 2017	4,000	-	-	4,000	16.03	1 Apr 2020
LTIP shares	1 Apr 2016	4,925	-	-	4,925	17.95	1 Apr 2019

1 Movements are caused by the resignation of David de Buck as per 16 May 2018

2 Following the vesting date, the LTIP shares granted to members of the Management Board are subject to an additional two-year lock up period, except for the LTIP shares that can be sold to cover income taxes due

3 Shares gratnted to Stephanie Miller do not need to meet performance conditions

4 Vesting of LTIP shares for David de Buck will remain as per the original vesting dates of the respective grants

	Award date	Outstanding as at 1 Jan 2017	Granted in 2017	Movements in 2017[1]	Outstanding as at 31 Dec 2017	Fair value per share at grant date (EUR)	Vesting date[2]
David de Buck							
LTIP shares	1 Apr 2017	-	4,000	-	4,000	16.03	1 Apr 2020
LTIP shares	1 Apr 2016	4,925	-	-	4,925	17.95	1 Apr 2019
Ernesto Traulsen[3]							
LTIP shares	1 Apr 2016	4,925	-	(4,925)	-	17.95	1 Apr 2019
Maarten de Vries							
LTIP shares	1 Apr 2017	-	14,352	(14,352)	-	16.03	
Henk Pieter van Asselt							
LTIP shares	1 Apr 2017	-	-	4,000	4,000	16.03	1 Apr 2020
LTIP shares	1 Apr 2016	-	-	4,925	4,925	17.95	1 Apr 2019

1 Movements are caused as follows. Ernesto Traulsen resigned per 16 January 2017. Maarten de Vries resigned per 31 December 2017. Henk Pieter van Asselt joined effective 9 November 2017 the Management Board

2 Following the vesting date, the LTIP shares granted to members of the Management Board are subject to an additional two-year lock up period, except for the LTIP shares that can be sold to cover income taxes due

3 Vesting of LTIP shares for Ernesto Traulsen gained again their vesting rights as per original vesting date 1 April 2019

As of 31 December 2018, the members of the Management Board have no loans outstanding with the Group and no guarantees or advance payments are granted to members of the Management Board.

Supervisory Board

The individual members of the Supervisory Board received the following remuneration

(EUR 000)	2018	2017
Hélène Vletter-van Dort	80	80
Toine van Laack	65	40
Anthony Ruys	60	60
Charlotte Lambkin	60	12
Paul Willing	50	10
Bert Groenewegen	-	24
Total	315	226

The Company does not grant variable remuneration, shares or options to the members of the Supervisory Board. As of 31 December 2018, the members of the Supervisory Board have no loans outstanding with the Group and no guarantees or advance payments are granted to members of the Supervisory Board.

34. Group entities

34.1. Significant affiliates

The following companies were the significant affiliates of the Group as at 31 December 2018 due to their location, revenue, total assets or investments in other affiliates and have been included in the consolidated financial statements:

Name	Country of incorporation	Type	Ownership interest 31.12.2018
Intertrust N.V	Netherlands	parent	100%
Intertrust Group B.V.	Netherlands	affiliate	100%
Intertrust Holding (Jersey) Limited	Jersey	affiliate	100%
Elian TopCo Limited	Guernsey	affiliate	100%
Elian MidCo Limited	Guernsey	affiliate	100%
Elian BidCo Limited	Jersey	affiliate	100%
Biplane BidCo (UK) Limited	United Kingdom	affiliate	100%
Intertrust Management Limited	United Kingdom	affiliate	100%
Intertrust European Holdings Limited	Ireland	affiliate	100%
Intertrust Management Spain S.L.	Spain	affiliate	100%
Intertrust Offshore Limited	Jersey	affiliate	100%
Elian Fiduciary Services Holding Company Limited	Cayman	affiliate	100%
Intertrust Fiduciary Services (Jersey) Limited	Jersey	affiliate	100%
Intertrust Fiduciary Shared Services Limited	Jersey	affiliate	100%
Intertrust Premises (Jersey) Limited	Jersey	affiliate	100%
Intertrust Fiduciary Services (UK) Limited	United Kingdom	affiliate	100%
Intertrust (Netherlands) B.V.	Netherlands	affiliate	100%
Structured Finance Management (Netherlands) B V	Netherlands	affiliate	100%
Intertrust (Netherlands) Employment B V.	Netherlands	affiliate	100%
Intertrust Group Holding S A	Switzerland	affiliate	100%
Intertrust (Sweden) AB	Sweden	affiliate	100%
Intertrust (Norway) AS	Norway	affiliate	100%
Intertrust Finland Oy	Finland	affiliate	100%
Intertrust Holding (Guernsey) Limited	Guernsey	affiliate	100%
Intertrust (Spain) SL	Spain	affiliate	100%
Intertrust Holding (Curacao) N V	Curacao	affiliate	100%
Intertrust Management NV	Curacao	affiliate	100%
Intertrust Resources Management Limited	Hong Kong S.A R	affiliate	100%
Intertrust (Singapore) Ltd.	Singapore	affiliate	100%
Intertrust Management Services Pte. Ltd.	Singapore	affiliate	100%
Intertrust (Belgium) NV/SA	Belgium	affiliate	100%
Intertrust (Suisse) S.A.	Switzerland	affiliate	100%
Intertrust (Denmark) A/S	Denmark	affiliate	100%
Intertrust Intellectual Property Group Holding SA	Switzerland	affiliate	100%
Intertrust (Shanghai) Consultants Limited	China	affiliate	100%
Intertrust Danismanlik AS	Turkey	affiliate	100%
Intertrust Management Ireland Limited	Ireland	affiliate	100%
Intertrust Alternative Investment Fund Management (Ireland) Limited	Ireland	affiliate	100%
Intertrust Holdings (UK) Limited	United Kingdom	affiliate	100%
Intertrust (Cyprus) Limited	Cyprus	affiliate	100%
Intertrust Holding (Cayman) Limited	Cayman Islands	affiliate	100%
Intertrust Corporate Services (BVI) Limited	Virgin Islands, British	affiliate	100%
Intertrust (Dubai) Limited	United Arab Emirates	affiliate	100%
Intertrust Corporate Services Delaware Ltd	United States	affiliate	100%

Name	Country of incorporation	Type	Ownership interest 31.12.2018
Intertrust (Brazil) Servicos Corporativos Ltda	Brazil	affiliate	100%
Intertrust (Bahamas) Limited	Bahamas	affiliate	100%
Intertrust Germany GmbH	Germany	affiliate	100%
Intertrust Topholding (Luxembourg) S.à r.l.	Luxembourg	affiliate	100%
Intertrust Holding (Luxembourg) S à r l	Luxembourg	affiliate	100%
Intertrust (Luxembourg) S a r l	Luxembourg	affiliate	100%
Seed Outsourcing Pty Ltd	Australia	affiliate	100%

A list containing the information referred to in Section 379(1), Book 2 of the Dutch Civil Code has been filed with the office of the Commercial Register of Amsterdam, in accordance with Section 379(5), Book 2 of the Dutch Civil Code.

34.2. Guarantees issued to affiliates

The Company has issued several declarations of joint and several liability for various Group companies, in compliance with section 403 of Part 9 of Book 2 of the Dutch Civil Code. The UK subsidiaries listed below have claimed audit exemption under Companies Act 2006 ~~s.479A~~ S.479A with respect to the year ended 31 December 2018. The Company has given a statement of guarantee under Companies Act 2006 s. 479C, whereby the Company will guarantee all outstanding liabilities to which the respective subsidiary companies are subject as at 31 December 2018:

Name	Country of incorporation	Registration number
Intertrust Investments Limited	United Kingdom	04996467
Intertrust Trustees (UK) Limited	United Kingdom	07632657
Intertrust Holdings (UK) Limited	United Kingdom	06263011
Intertrust (UK) Limited	United Kingdom	06307550
Intertrust Trustees Limited	United Kingdom	07359549
Intertrust Fiduciary Services (UK) Limited	United Kingdom	05081658
Intertrust Corporate Services (UK) Limited	United Kingdom	04723839
Biplane Bidco (UK) Limited	United Kingdom	09693921

Intertrust pools cash from certain subsidiaries to the extent legally and economically feasible. The entities that participate in the notional pooling have provided cross guarantees and authorization for set-off. Cash not pooled remains available for local operational or investment needs.

35. Subsequent events

There have been two subsequent events from 31 December 2018 to the date of issue of these financial statements.

1. On 7 February 2019, Intertrust announced that it reached agreement with ABN AMRO to acquire ABN AMRO's Escrow and Settlement business. The transaction is subject to regulatory approvals and is expected to complete in Q3 2019.
2. On 13 February 2019, Intertrust was informed that Blackstone sold the remaining shares in Intertrust Following this transaction Blackstone no longer owns shares in the Company.

36. Appropriation of results

The Management Board proposes to appropriate EUR 54,504 thousand (2017 EUR 56,020 thousand) of the profit for a payment of a dividend and to add EUR 34,887 thousand (2017 EUR 32,304 thousand) to the retained earnings.

The financial statements are signed by the Management Board and the Supervisory Board:

Management Board:
Stephanie Miller
Hans Turkesteen
Henk Pieter van Asselt

Supervisory Board:
Hélène Vletter-van Dort
Lionel Assant
Toine van Laack
Anthony Ruys
Charlotte Lambkin
Paul Willing

Amsterdam, the Netherlands

14 February 2019

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Company statement of profit or loss

(EUR 000)	2018	2017
Staff expenses	(3 920)	(843)
Other operating expenses	(2,906)	(2,301)
Other operating income	6 815	–
Loss from operating activities	**(11)**	**(3,144)**
Finance expense	(3)	–
Financial result	**(3)**	**–**
Result of subsidiaries (net of tax)	86 918	90,895
Profit before income tax	**86,904**	**87,751**
Income tax	2 458	573
Profit for the year after tax	**89,362**	**88,324**
Profit for the year after tax attributable to		
Owners of the Company	89 362	88,324

Company statement of financial position

After profit appropriation

(EUR 000)	Note	31.12.2018	31.12.2017
Assets			
Investments in participating interests	4	807 385	802,297
Non-current assets		**807,385**	**802,297**
Other receivables		88	-
Current tax assets		116	2,490
Prepayments		-	75
Cash and cash equivalents		13	47
Current assets		**217**	**2,612**
Total assets		**807,602**	**804,909**
Equity			
Share capital		53 853	55,200
Share premium		641,499	641,499
Reserves		(39 294)	(56,308)
Retained earnings		62 488	64,527
Total Equity	6	**718,546**	**704,918**
Liabilities			
Trade payables		252	150
Other payables		88 804	99,841
Current liabilities		**89,056**	**99,991**
Total liabilities		**89,056**	**99,991**
Total equity and liabilities		**807,602**	**804,909**

Company statement of changes in equity

(EUR 000)	For the period ended 31 December 2018						
	Attributable to owners of the Company						
	Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve	Treasury share reserve	Total
Balance at 01 January 2018	55,200	641,499	64,527	(41,437)	(545)	(14,326)	704,918
Profit/(loss) for the year	-	-	89,362	-	-	-	89,362
Other comprehensive income/(loss) for the year, net of tax	-	-	997	11,592	(393)	-	12,196
Total comprehensive income/(loss) for the year	-	-	90,359	11,592	(393)	-	101,558
Contributions and distributions							
Equity-settled share-based payment	-	-	5,454	-	-	-	5,454
Purchase of treasury shares	-	-	-	-	-	(36,011)	(36,011)
Treasury shares delivered	-	-	(5,937)	-	-	5,937	-
Dividends paid	-	-	(56,171)	-	-	-	(56,171)
Total contributions and distributions	-	-	(56,654)	-	-	(30,074)	(86,728)
Changes in ownership interests							
Share cancellation	(1,347)	-	(34,542)	-	-	35,889	-
Total changes in ownership interest	(1,347)	-	(34,542)	-	-	35,889	-
Total transactions with owners of the Company	(1,347)	-	(91,196)	-	-	5,815	(86,728)
IFRS 9 opening balance adjustment	-	-	(1,202)	-	-	-	(1,202)
Total opening balance sheet adjustments	-	-	(1,202)	-	-	-	(1,202)
Balance at 31 December 2018	53,853	641,499	62,488	(29,845)	(938)	(8,511)	718,546

(EUR 000)	For the period ended 31 December 2017							
	Attributable to owners of the Company							
	Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve	Treasury share reserve	Other reserve	Total
Balance at 01 January 2017	55,200	641,499	18,829	7,627	(1,324)	(76)	36,118	757,873
Profit/(loss) for the year	-	-	88,324	-	-	-	-	88,324
Other comprehensive income/(loss) for the year, net of tax	-	-	(245)	(49,064)	779	-	-	(48,530)
Total comprehensive income/(loss) for the year	-	-	88,079	(49,064)	779	-	-	39,794
Contributions and distributions								
Equity-settled share-based payment	-	-	5,142	-	-	-	-	5,142
Deferred consideration delivered	-	-	2,556	-	-	33,056	(35,612)	-
Purchase of treasury shares	-	-	-	-	-	(47,995)	-	(47,995)
Treasury shares delivered	-	-	(689)	-	-	689	-	-
Dividends paid	-	-	(48,290)	-	-	-	(506)	(48,796)
Total contributions and distributions	-	-	(41,281)	-	-	(14,250)	(36,118)	(91,649)
Changes in ownership interests								
Changes in non-controlling interest	-	-	150	-	-	-	-	150
Acquisition of subsidiary with non-controlling interest	-	-	(1,250)	-	-	-	-	(1,250)
Total changes in ownership	-	-	(1,100)	-	-	-	-	(1,100)
Balance at 31 December 2017	55,200	641,499	64,527	(41,437)	(545)	(14,326)	-	704,918

Notes to the Company financial statements

1. Reporting entity

The Company financial statements of Intertrust N.V. are part of the consolidated financial statements.

2. Basis of preparation

The Company financial statements have been prepared in accordance with the provisions of Part 9 of Book 2 of the Dutch Civil Code. The Company uses the option of Article 362.8 of Part 9 of Book 2 of the Dutch Civil Code to prepare the Company financial statements, using the same accounting policies as in the consolidated financial statements. Valuation is based on recognition and measurement requirements of accounting standards adopted by the EU (i.e. only IFRS that is adopted for use in the EU at the date of authorisation) as explained further in the notes to the consolidated financial statements.

3. Significant accounting policies

3.1. Result of participating interests

The share of profit of participating interests consists of the share of the Company in the results of these participating interests. Results on transactions, where the transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests, themselves, are not realised.

3.2. Financial fixed assets

Participating interests in Group companies are accounted for in the Company financial statements according to the equity method. Refer to the basis of consolidation accounting policy in the consolidated financial statements.

4. Investments in participating interests

(EUR 000)	2018	2017
Balance at 01 January	**802,297**	**755,888**
Share of result of participating interests	86,915	90,895
Changes in hedging and translation reserves	11,199	(48,285)
Equity-settled share-based payment	5,454	5,220
Actuarial gains/(losses)	997	(245)
IFRS 9 opening balance adjustment	(1,202)	-
Dividend income	(98,275)	(55)
Minority interest buy out	-	(1,250)
Investments	-	129
Balance at 31 December	**807,385**	**802,297**

In 2018 opening balances, the Company's subsidiaries adjusted their expected credit loss adopting IFRS 9 and recognised EUR 1,202 thousand allowances in their opening balances.

In 2017, the Company became 100% owner of SFM Spain together with the affiliated professional services activities of Azcona y Asociados de Consultoría Tributaria, Jurídica y Contable, S L. ("Azcona"). See details in the Consolidated Financial Statement of the Company in note 14.

In 2017, the Company became 100% owner of ATC Zug by buying out the minority interest of 49%. See details in the Consolidated Financial Statement of the Company in note 25

5. Loans to and from participating interests

From the total closing balance as at 31 December 2018 of other liabilities EUR 68.543 thousand (2017 EUR 98.275 thousand) is relating to a current liability on arm's length basis from its subsidiary Intertrust Group B.V.

6. Shareholders' equity

There is no legal reserve identified on the Company level.

For movements in Equity, refer to note 24.

7. Fees of the auditors

The following fees from KPMG Accountants N.V. and its member firms to the Company and its subsidiaries have been booked for the financial period

(EUR 000)	KPMG Accountants N.V. 2018	KPMG Accountants N.V. 2017	Other KPMG member firms and affiliates 2018	Other KPMG member firms and affiliates 2017
Audit of the financial statements	(386)	(405)	(1,334)	(1,231)
Other assurance related services (including half year review)	(474)	(227)	(38)	(34)
Other fees	-	-	(37)	(116)
Total	**(860)**	**(632)**	**(1,409)**	**(1,381)**

For the period to which the statutory audit relates, KPMG provided the following services to Intertrust N.V. in addition to the audit.

- review of financial information for consolidation purposes;
- procedures relating to our refinancing,
- IT and business process attestations under ISAE 300/3402 standard.

8. Remuneration

Refer to note 33.2 of the consolidated financial statements for the remuneration of the Management Board and the Supervisory Board.

9. Off-balance sheet commitments

Fiscal unity

The Company is head of a fiscal unity for corporate income tax purposes. The Company calculates its taxes on a stand-alone basis. The payables and/or receivables of the corporate income tax are settled with the companies that are part of the fiscal unity. In accordance with the standard conditions of the fiscal unity, each of the companies is liable for the income tax liabilities of the entire fiscal unity.

For further details, please refer to note 26.

10. Subsequent events

For subsequent events, please refer to note 35.

The financial statements are signed by the Management Board and the Supervisory Board:

Management Board:
Stephanie Miller
Hans Turkesteen
Henk Pieter van Asselt

Supervisory Board:
Hélène Vletter-van Dort
Lionel Assant
Toine van Laack
Anthony Ruys
Charlotte Lambkin
Paul Willing

Amsterdam, the Netherlands

14 February 2019

Other information

Statutory provision with respect to appropriation of results

According to the Company's Articles of Association, the Company's result is freely at the disposal of the shareholders, provided that total shareholders' equity exceeds the called-up and paid-up capital of the Company and the reserves which must be maintained pursuant to Dutch law.

If the adopted annual accounts show a profit the Management Board shall determine which part of the profits shall be reserved. The profit, as this appears from the adopted annual accounts, to the extent not reserved shall be at the disposal of the General Meeting, provided however that the General Meeting may only resolve on any reservation of the profits or the distribution of any profits pursuant to and in accordance with a proposal thereto of the Management Board, which proposal has been approved by the Supervisory Board

In calculating the profits available for distribution, the Shares held by the Company in its own capital are not counted, unless such Shares are subject to a right of pledge on such Shares if the pledgee is entitled to the distributions on the Shares or a right of usufruct for the benefit of a party other than the Company.

Resolutions of the General Meeting with regard to a distribution at the expense of the reserves shall require the approval of the Management Board and the Supervisory Board.

The Management Board may resolve to make interim distributions to Shareholders, provided that the approval of the Supervisory Board has been obtained. Pursuant to and in accordance with a proposal thereto by the Management Board, which proposal has been approved by the Supervisory Board, the General Meeting may also resolve to make interim distributions to Shareholders

Interim distributions are only permitted to the extent that the requirements set forth in the Dutch Civil Code are satisfied as apparent from an (interim) financial statement drawn up in accordance with Dutch law.

After approval of the Supervisory Board, the Management Board may determine that a distribution on Shares shall be made payable either in euro or in another currency.

After approval of the Supervisory Board, the Management Board may decide that a distribution on Shares shall not or not entirely be made in cash but other than in cash, including, without limitation, in the form of Shares, or decide that Shareholders shall be given the option to receive the distribution either in cash or other than in cash. After approval of the Supervisory Board, the Management Board may determine the conditions under which such option can be given to the Shareholders

Any claim a Shareholder may have to a distribution shall lapse after five years, to be calculated from the date following the date on which such dividend has become payable.

If a resolution is adopted to make a distribution on Shares, the Company shall make the distribution to the person in whose name the Share is registered on the date as to be determined by the Management Board in accordance with Dutch law and the rules of the stock exchange where the Shares are listed. The Management Board shall determine the date from which a distribution to the persons entitled as referred to in the previous sentence shall be made payable.

Independent auditor's report

Independent auditor's report

To the General Meeting of Shareholders and the Supervisory Board of Intertrust N.V.

Report on the audit of the financial statements 2018 included in the annual report

Our opinion

In our opinion:

— the accompanying consolidated financial statements give a true and fair view of the financial position of Intertrust N.V. as at 31 December 2018 and of its result and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

— the accompanying company financial statements give a true and fair view of the financial position of Intertrust N.V. as at 31 December 2018 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2018 of Intertrust N V. (the Company) based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

The consolidated financial statements comprise

1 the consolidated statement of financial position as at 31 December 2018;
2 the following consolidated statements for 2018 the statements of profit or loss, comprehensive income, changes in equity and cash flows, and
3 the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1 the company statement of financial position as at 31 December 2018,
2 the company statement of profit or loss for 2018;
3 the company statement of changes in equity as at 31 December 2018, and
4 the notes comprising a summary of the accounting policies and other explanatory information

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Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Intertrust N.V. in accordance with the EU Regulation on specific requirements regarding statutory audits of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Audit approach

Summary

Materiality
— Materiality of EUR 4 million (2017: EUR 4 million)
— 4 % of profit before tax from continuing operations (2017: 4%)

Group audit
— 84% (2017: 85%) of revenue
— 93% (2017: 94%) of assets

Key audit matters
— Revenue recognition including management override of controls
— Valuation of goodwill
— Provisioning for litigation and claims
— Information technology

Opinion
Unqualified

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Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 4 million (2017: EUR 4 million). The materiality is determined with reference to 2018 profit before tax from continuing operations (4%, 2017: 4%). We consider profit before tax from continuing operations as the most appropriate benchmark because it reflects the operations of the Company. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Audit Committee of the Supervisory Board that misstatements in excess of EUR 200,000 which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Intertrust N.V. is at the head of a group of components. The financial information of this group is included in the financial statements of Intertrust N.V.

Our group audit mainly focused on significant components. Components that were considered significant based on revenues or assets are included in-scope. These were the operating entities in the Netherlands, Luxembourg, Cayman Islands and Jersey. Furthermore, we included in-scope the operating entity in Guernsey as we identified a significant risk of material misstatement. In addition, to arrive at a sufficient overall coverage over all relevant significant account balances, we included operating entities in Spain, UK, Curacao and Hong Kong in scope of our group audit as well.

All components in scope for group reporting are audited by KPMG member firms, with the exception of Intertrust Holding (Curacao) N.V. and its subsidiaries (Curacao). The contribution to revenues of this entity amounts to 2% of Intertrust N.V.

We have:

— performed audit procedures ourselves at group components Intertrust N.V. and Intertrust Group B.V.;

— made use of the work of other auditors for the audit of the operating entities in the Netherlands, Luxembourg, Cayman Islands, Jersey, Guernsey, Spain, UK, Curacao and Hong Kong,

— performed audit procedures over significant accounts such as external debt, goodwill and share based payments ourselves at the group holding entity in the Netherlands,

For all operating entities in scope an audit of the complete reporting package (full scope audit) was performed. For components in scope we have:

— sent detailed instructions to all component auditors, covering significant areas including the relevant risks of material misstatement and set out the information required to be reported to the group audit team;

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— held conference calls and/or physical meetings with the auditors of the components During these visits, meetings and calls, the planning, risk assessment, procedures performed, findings and observations reported to the group auditor were discussed in more detail;

— visited component locations in the Netherlands, Cayman, Luxembourg and Guernsey where we performed audit file reviews,

The group audit team has set component materiality levels, which ranged from EUR 0.5 million to EUR 2 5 million, based on the mix of size and financial statement risk profile of the components within the group to reduce the aggregation risk to an acceptable level The consolidation of the group, the disclosures in the annual accounts and certain accounting topics that are performed at group level are audited by the group audit team.

By performing the procedures mentioned above at group components, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the financial statements.

The audit coverage as stated in the section summary can be further specified as follows.

Total assets

37%
Audit of the complete reporting package

56%
Covered by audit procedures performed at group level

Revenue

84%
Audit of the complete reporting package

0%
Covered by audit procedures performed at group level

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Audit scope in relation to fraud and non-compliance with laws and regulations

In accordance with the Dutch Standards on Auditing we are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. In determining the audit procedures we will make use of the evaluation of management in relation to fraud risk management (prevention, detection and response), including ethical standards to create a culture of honesty

In our process of identifying fraud risks we assessed fraud risk factors, which we discussed with management and the Supervisory Board. Fraud risk factors are events or conditions that indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. We also assessed factors related to the risk of non-compliance with laws and regulations which could have a direct or indirect impact on the financial statements. In these risk assessments we made use of a forensic specialist.

Based on the auditing standards we addressed the following presumed fraud risks that were relevant to our audit:

— fraud risk in relation to the existence of revenue

— fraud risk in relation to management override of controls related to revenue recognition

In relation to the risk of non-compliance with laws and regulations we identified and addressed the following other matter of evaluation in our audit

— non-compliance to anti-money laundering and anti-terrorist financing acts

Our audit procedures included an evaluation of the of internal controls relevant to mitigate these fraud risks and supplementary substantive audit procedures as described in the key audit matter revenue recognition, including detailed testing of (administrative) journal entries. Regarding the otter matter we have inspected documentation such as internal audit reports and correspondence with regulators in relation to policies and procedures with respect to operations in providing trust activities, such as client due diligence and transaction monitoring. Our audit procedures differ from a specific forensic fraud investigation, which investigation often has a more in-depth character.

Our procedures to address fraud risks and evaluate the other matter in relation to the risk of non-compliance to laws and regulations did not result in findings in relation to the financial statements to be included in this audit report.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements We have communicated the key audit matters to the Audit Committee of the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Revenue recognition including management override of controls

Description

Revenue recognition, in particular existence of revenue for time based fees, is considered a significant audit risk. It relates to potential manipulation of cut-off and management override of controls. Management override relevant to internal controls is an action or a series of actions performed by management to bypass established internal controls . Management override may be driven by an incentive or pressure to reach analyst expectations. The risk relates to cut-off of revenue whereby revenue is overstated.

Our response

We addressed the risk of fraudulent revenue recognition and management override of controls in our audit through a combination of controls testing (if possible based on the maturity level of controls at a component) and substantive testing:

— testing of the key controls in relation to revenue recognition, such as the approval of hours recorded, reconciliation of written hours to contractual hours and review of proposed invoicing,

— testing operating effectiveness of the IT application and the general IT controls to the extent that this is considered effective and efficient in our audit approach. This resulted in for example testing of the general IT controls and IT application controls over the input of information into the backoffice system and testing of application controls over approval of invoices and approval of timesheets. For components where IT controls are not completely implemented, this resulted in additional substantive audit procedures such as manual reconciliations of data;

— testing the cut-off of revenue with underlying documentation. Amongst others, we verified the timing of revenue recognition with underlying contracts and written hours, whether credit notes issued after balance sheet date related to revenue recognised in 2018, the existence and collectability of WIP and debtor balances by reconciling WIP to written hours and testing the aging of accounts receivable,

— journal entry testing of both manual journal entries recorded directly in the consolidation, and manual journal entries recorded by local management and high risk journal entries in the consolidation system, using data analysis tools where possible.

— analysis of the Company's accounting policies and practices in relation to revenue recognition for compliance with IFRS 15.

Our observation

Our audit procedures did not reveal indications of manipulations in revenue cut-off nor management override of controls in the accounting applied by management in relation to the recognition of revenue.

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Valuation of goodwill

Description

The company has recognised a significant amount of goodwill amounting to EUR 958 million, predominantly emanating from the acquisitions of Elian and ATC businesses . A potential risk of impairment of goodwill exists, to the extent future developments negatively deviate from the assumptions applied during the acquisition of the group entities. The annual impairment test performed was significant to our audit because the assessment process is complex, judgmental and is based on assumptions that are affected by expected future economic and market conditions. In performing the impairment testing for goodwill, the Company used various assumptions in respect of future economic and market conditions, such as the discount rate, revenue and margin development, expected inflation rates and the terminal value growth.

The amounts recognised, the assumptions and sensitivities used to assess the recoverable amount recognised are disclosed in note 16 of the consolidated financial statements.

Our response

We performed, amongst others, the following procedures.

— assessed whether the impairment testing was performed in accordance with IAS 36,
— assessed if management's determination of, and changes to, the Cash Generating Unit (CGU) and the related carrying value was appropriate,
— challenged management's budget and cash flow forecasts, performing sensitivity analyses *and a retrospective review of the historical accuracy of management's estimations*,
— involved a KPMG valuation specialist to assist the audit team in the audit procedures performed. The valuation specialist's procedures included evaluating the reasonability of the methodology used by management, assessing the reasonableness of the key input parameters (including WACC and terminal growth rate), performing independent sensitivity analyses over the outcome of the impairment test, and comparison with market data (EBITDA multiples);
— assessed the mathematical accuracy of the goodwill impairment model and assessed whether the calculated recoverable amount is greater than the carrying amount of the CGU's tested;
— reconciledsource data used in the model to underlying audit evidence.
— assessed the adequacy of the Company's disclosure in note 16.

Our observation

Based on our procedures performed we found management's assessment relating the valuation of goodwill overall within an acceptable range and adequately disclosed in note 16 of the financial statements.

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Provisioning for litigation and claims

Description

Intertrust is involved in legal proceedings both for and against the Company as a result of the nature of the companies business.

Management judgement is involved in assessing the accounting for claims including considering the probability of a claim being successful. The risk related to the claims is mainly associated with the completeness of the disclosure and the recognition and measurement of the provisions in the financial statements.

Management's assessment of legal claims is included in note 29 of the consolidated financial statements, and the description of contingencies is included in note 32.

Our response

We performed, amongst others, the following procedures

— testing management's controls over litigation and claims monitoring and adequacy of provision measurement,

— Inspection and assessment of management and board minutes, correspondence with legal advisors and review of legal expenses,

— challenge of management's assessment of litigations and claims, and subsequent assessment of provisions required as at the year-end;

— inquiry with management and in-house legal counsel and verification of substantive audit evidence.

We also evaluated the adequacy of the Company's disclosure regarding legal claims and contingencies.

Our observation

Based on our procedures regarding the provision for litigation and claims we found the provisions recognised and disclosures of contingencies to be appropriate.

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Information technology

Description

The Company is dependent on its IT-infrastructure for the continuity of its operations. The Company makes investments in its IT systems and –processes as it is continuously improving the efficiency and effectiveness of the IT-infrastructure and the reliability and continuity of the electronic data processing.

Our response

We have assessed the reliability and continuity of the electronic data processing, as far as necessary within the scope of our audit For that purpose we included IT-auditors in our audit team. As part of the audit of the financial statements, we obtained an understanding of the entity's IT environment, and how the Company has mitigated the risks arising from the IT systems by testing internal controls where relevant for the purpose of our audit, that maintain the integrity of information and the security of the data that such systems process.

Our procedures included amongst others the assessment of access to programs and data, change management, computer operations, and back up and recovery in the IT-domain and testing of the relevant internal controls with respect to relevant IT-systems and -processes.

To the extent where (part of the) General IT Controls are not operating effectively, we assess the impact on our substantive audit approach. This includes test of details of specific transactions and reports.

Our observation

The results of our audit procedures on information technology were satisfactory.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of

— the Management Board Report (pages 4 -70),

— the other information pursuant to Part 9 of Book 2 of the Dutch Civil Code (page 142-154),

Based on the following procedures performed, we conclude that the other information

— is consistent with the financial statements and does not contain material misstatements, and

— contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements

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By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Management Board is responsible for the preparation of the other information, including the Management Board Report in accordance with Part 9 of Book 2 of the Dutch Civil Code and the other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the General Meeting as auditor of Intertrust N.V on 25 September 2015, as of the audit for the year 2015 and have operated as statutory auditor ever since that financial year

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

Description of responsibilities regarding the financial statements.

Responsibilities of the Management Board of the Company and the Supervisory Board for the financial statements

The Management Board of Intertrust N V. is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Management Board of Intertrust N.V. is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Management Board of Intertrust N.V. is responsible for assessing Intertrust N.V. 's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Management Board of Intertrust N.V. should prepare the financial statements using the going concern basis of accounting unless the Management Board of Intertrust N.V. either intends to liquidate Intertrust N.V. or to cease operations, or has no realistic alternative but to do so. The Management Board of Intertrust N.V. should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing Intertrust N.V. 's financial reporting process.

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Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is included in an appendix to this auditor's report. This description forms part of our auditor's report.

Amstelveen, 14 February 2019

KPMG Accountants N.V.

W.G. Bakker RA

Appendix
Description of our responsibilities for the audit of the financial statements

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Appendix

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others.

— identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control,

— obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control,

— evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board of the Company,

— concluding on the appropriateness of the Management Board of the Company's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;

— evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and

— evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group components. Decisive were the size and/or the risk profile of the group components or operations. On this basis, we selected group components for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific

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requirements regarding statutory audits of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

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Glossary

Defined terms
The following list of defined terms is not intended to be an exhaustive list of definitions, but provides a list of the defined terms used in this Annual Report

Adjusted EBITDA
EBITDA excluding specific items

Adjusted EBITA
Adjusted EBITA is defined as Adjusted EBITDA excluding depreciation and amortisation of other intangible assets

Adjusted EBITA margin
Adjusted EBITA divided by revenue, and is expressed as a percentage

Adjusted earnings per share
Adjusted net income divided by the weighted-average number of basic shares for the period

Adjusted net income
Adjusted EBITA less net interest costs, less tax costs and share of profit of equity accounted investees (net of tax) and excluding adjusting items in financial results and income tax

AEoI
Automatic Exchange of Information

AMX
Amsterdam Midkap Index

AFM
The Netherlands Authority for the Financial Markets or *Stichting Autoriteit Financiële Markten*

AIFMD
The Alternative Investment Fund Managers Directive (2011/61/EU)

Articles of Association
The articles of association (statuten) of the Company

ARPE
Average Revenue Per Entity

Audit and Risk Committee
The Audit and Risk Committee of the Supervisory Board

BEPS
The Base Erosion and Profit Shifting Project

Blackstone
Blackstone Perpetual Topco S.à r.l.

CAGR
Compounded Annual Growth Rate

Capital employed
As the total of Working capital (WC) in the Balance Sheet, Property, Plant and Equipment and Intangibles (including *acquisition related and other assets)*

Capital expenditure (CAPEX)
Investments in property, plant, equipment and software not related to acquisitions

CIMA
The Cayman Islands Monetary Authority

Company
Intertrust N.V. and/or any of its subsidiaries

CorpNordic
CorpNordic Holding A/S and its subsidiaries

COSO-ERM Framework
COSO Enterprise Risk Management-Integrated Framework

CSSF
The Luxembourg Commission for the Supervision of the Financial Sector or *Commission de Surveillance du Secteur Financier*

CRS
Corporate Risk Solutions Limited and its subsidiaries

CRS
Common Reporting Standard

CxO
CEO: Chief Executive Officer
CFO: Chief Financial Officer
CCO: Chief Commercial Officer

DNB
The Dutch Central Bank or *De Nederlandsche Bank*

Dutch Corporate Governance Code or the Code
The Dutch Corporate Governance Code 2016

EBITDA
Profit/(loss) from operating activities excluding depreciation and amortisation

Elian
Elian Topco Limited and its subsidiaries

Elian acquisition
The acquisition of Elian by Intertrust as completed on 23 September 2016

EOP
Executive Ownership Plan

ESOP
Employee Stock Ownership Plan

ETR
Effective tax rate is calculated as minus one times income tax expense divided by the profit before tax of the Group

Euronext Amsterdam
The regulated market operated by Euronext Amsterdam N.V.

EUR or €
The single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Community, as amended from time to time

Executive Committee or ExCo
The Executive Committee of Intertrust

FATCA
The Foreign Account Tax Compliance Act

FDI
Foreign Direct Investment

First trading date
15 October 2015, the date on which trading in the Offer Shares on Euronext Amsterdam commenced

FTEs
Full-Time Equivalents

FVOCI
Fair value through other comprehensive income

FVTPL
Fair value through profit and loss

GBP or £
The lawful currency of the United Kingdom

General Meeting
The general meeting (*algemene vergadering*) of the Company

Group
The Company and its subsidiaries from time to time

GFSC
The Guernsey Financial Services Commission

IFRS
International Financial Reporting Standards as adopted by the European Union

IPO
Initial Public Offering

KPMG
KPMG Accountants N.V.

Leverage ratio
Leverage ratio is defined as total net debt (on "last twelve months" (LTM) average FX rates) divided by the adjusted EBITDA proforma contribution for acquisitions and full year run-rate synergies related to acquisitions and other SFA adjustments such as the addback of LTM LTIP accruals

LTIP
Long-Term Incentive Plan

Management Board
The Management Board (*bestuur*) of the Company

Net debt
The net of the cash and cash equivalents excluding cash on behalf of customers and gross value of the third party indebtedness

Net interest
Net finance cost excluding Forex gains and losses and fair value adjustments for interest rate hedges recognised in the Income Statement

OECD
Organisation for Economic Co-operation and Development

Other working capital
Other working capital in the Balance Sheet is defined as the total of Other receivables, Prepayments and Other payables

Shares
The ordinary shares in the capital of the Company

Relationship Agreement
The relationship agreement dated on or about 2 October 2015 between the Company and Blackstone

Remuneration, Selection and Appointment Committee
The Remuneration, Selection and Appointment Committee of the Supervisory Board

SFM
Structured Finance Management (SFM) Europe, acquired by Elian in 2015

Shareholder
Any holder of Ordinary Shares at any time

Specific items
Income and expenses items that, based on their significance in size or nature, should be separately presented to provide further understanding about the financial performance. Specific items include Transaction costs, Integration and transformation costs, Share-based payment upon IPO, Share-based payment upon integration, and Income/expenses related to disposal of assets. Specific items are not of an operational nature and do not represent the core operating results

Supervisory Board
The Supervisory Board (*raad van commissarissen*) of the Company

Trade working capital
Trade working capital in the Balance Sheet is defined as the total of Trade receivables, Work in progress, Trade payables and Deferred income

Underlying
Current and prior period at constant currency and, if applicable, including proforma figures for acquisition(s)

UBO
Ultimate beneficial owner

USD or $
The lawful currency of the United States

Working capital (WC)
Working capital in the Balance Sheet is defined as the total of the trade working capital, other working capital and net current tax

UBO
Ultimate beneficial owner